
Prosecution Laches May Bar Enforcement of Patent

2002-05-20

In a recent decision, *Symbol Technologies Inc. v. Lemelson Medical, Education & Research Foundation Limited Partnership*, the Federal Circuit ruled that the equitable doctrine of laches may permanently bar enforcement of patents that issued after a long delay in prosecuting the patents even though the applicant complied with all pertinent statutes and rules.

The Doctrine of Laches

Laches is an equitable defense that arises from a delay in taking action. Laches defenses have been successful in cases in which a patent owner knows about an infringement and then delays many years before bringing suit. Laches typically bars the recovery of any past damages but allows for the recovery of damages arising after the filing of the lawsuit. A related doctrine is equitable estoppel, which arises from misleading conduct by the patent owner that leads the defendant reasonably to infer that the patent owner does not intend to enforce its patent against the defendant. A finding of equitable estoppel may preclude any recovery.

Unlike the typical use of laches relating to delay in filing suit, the *Symbol* case related to delays in the prosecution of patent applications.

Factual Background

Lemelson holds over 185 unexpired patents. In the past he held many additional patents that have since expired. This portfolio has made hundreds of millions of dollars of license fees in many technical areas, including machine vision, bar coding and semiconductor processing. The quality of the patent portfolio, and the question about whether Lemelson the individual was an inventor at all or an abuser of the patent system, are subjects in much dispute.

The Litigation

At issue in the *Symbol* case were patents relating to machine vision technology. These patents claim priority from two applications filed in 1954 and 1956. The plaintiffs, Symbol and Cognex, design and manufacture bar code scanners and related products. In 1998, more than forty years after the initial applications were filed, their customers began to receive letters from Lemelson stating that they were infringing various Lemelson patents. Symbol and Cognex brought a declaratory judgment action arguing, among other things, that sixteen of Lemelson's patents were unenforceable because of Lemelson's unreasonable and unexplained delay in patent prosecution.

The Federal Circuit held that a patentee's unreasonable and unexplained delay in obtaining its patents may constitute grounds for permanently barring enforcement of those patents. In so holding, the Federal Circuit reversed a lower court decision and remanded the case to the lower court for determination of whether Lemelson's delay was actually sufficient to justify barring enforcement. The court based its decision on Supreme Court cases from the 1920s and 1930s. The court reasoned that the Supreme Court previously held that, under at least some circumstances, an applicant's delay can bar enforcement of the resulting patents, and that nothing subsequent to those Supreme Court rulings has altered that basic proposition. One of the three judges on the panel dissented, arguing in effect that even if the earlier Supreme Court cases had endorsed "prosecution laches," that doctrine was eliminated by enactment of the 1952 Patent Act. The dissenting judge also argued that because Lemelson complied with the relevant rules governing the filing of continuation and divisional applications, enforcement of the patents should not be barred.

Lemelson petitioned the Federal Circuit for an en banc rehearing, but the petition was denied with three judges voting to rehear the case. The existence of contrary prior nonprecedential decisions and the tally of votes for Lemelson's petition for an *en banc* rehearing suggest that a future case presenting the issue may be decided *en banc*.

Patent Procedure

The Patent Act provides for filing continuation and divisional applications, and permits patent applicants to claim priority of an earlier filed "parent" application (or of the parent's parent) when filing a later "child" application, as long as a parent application is pending on the filing date of the child application. In determining whether the claimed invention satisfies the legal

criteria for patentability, the child application is treated as if it were filed on the same day as the parent application, even though the actual filing date of the child application may be many years after the filing date of the parent.

A practical consequence of these procedures is that only prior art that predates the earliest parent application in a series of applications may be used to invalidate the child. The Lemelson patents at issue resulted from a series of continuing and divisional applications such that they were in effect great-great-grandchildren of the two original patent applications filed in 1954 and 1956.

The scope and viability of the prosecution laches doctrine is unclear. *Symbol* presented an extreme case involving over forty years of delay. Lemelson's notoriety in obtaining and asserting patents many years after the filing of applications containing very different claims may have made him an unsympathetic party to avoid the application of prosecution laches. When Lemelson was filing his succession of patents, a patent generally would expire 17 years after issuance, even if based on a patent application filed 10 or more years earlier. Because of changes in the Patent Act, patents filed after 1995 generally expire twenty years after their earliest priority date. This means that a patent application that issues 10 years after a parent application was filed will have a 10 year term, not a new full term. This change reduces the likelihood that a future case will present such a long delay.

Conclusion

Despite the likely limits to prosecution laches, patent applicants should consider the *Symbol* case when planning their strategy for patent filings, and in particular their use of continuation or divisional applications. Parties in patent litigation in which the patent issued after a succession of continuation or divisional applications need to consider the *Symbol* case and evaluate whether the patent owner's delay may have affected enforceability of the patents. At least one patent litigant has already added the issue of prosecution laches to its suit. In [*Oxaal v. Internet Picture Corporation*](#), the district court permitted the defendant to amend its answer to include the defense of prosecution laches even after the deadline for amending the answer had expired. The district court ruled that prior to the *Symbol* decision, it was reasonable to conclude that the prosecution laches defense was not available, and that the *Symbol* decision "marked a significant change in the law . . . [and that it] provided a legal basis for [the

defendant] to assert the defense of prosecution laches."

Richard Goldenberg

richard.goldenberg@haledorr.com

Gearóid Griffin

gearoid.griffin@haledorr.com