

#### **CLIENT ALERT**

# Prosecution Laches Defense Applied to Ancient Patents

JUNE 9, 2021

*Hyatt v. Hirshfeld*: Nos. 2018-2390, 2018-2391, 2018-2392, 2019-1038, 2019-1039, 2019-1049, 2019-1070 (Fed. Cir. June 1, 2021)

Upon appeal, the Patent Office argued that the district court was wrong to reject its prosecution-laches rejections because the patent applicant had engaged in a "pattern of delay in prosecuting his nearly 400 patent applications from 1969 through the present day." The Federal Circuit panel provided a detailed history of the prosecution-laches defense and remanded to the district court for further consideration.

Prosecution laches is a defense that may render patents unenforceable when there has been an "unreasonable and unexplained delay in prosecution that constitutes an egregious misuse of the statutory patent system under a totality of the circumstances." The doctrine finds its roots in the *Woodbridge v. United States*, 263 U.S. 50 (1923), opinion where the patent applicant had delayed for 8.5 years before sending a letter to the Patent Office inquiring about the pendency of an application and there was evidence that this delay was intended to help the applicant amend its claims to encompass related innovations by others that arose during the delay.

The Federal Circuit first applied the doctrine of prosecution laches in *In re Bogese*, 303 F.3d 1362, 1363 (Fed. Cir. 2002). In *Bogese*, laches was found when a patent applicant had "filed 12 continuation applications without amendment or addressing the reasons for the rejection and each time abandoned the previous application." The Federal Circuit also applied the doctrine of prosecution laches in *Symbol Technologies, Inc. v. Lemelson Medical, Education & Research Foundation, LP*, 422 F.3d 1378, 1385 (Fed. Cir. 2005), where the patent applicant's delay resulted in 18 to 39 years between the filing of applications and issuance.

The laches question for the present case arose partially because the earliest patents in the families were filed in the 1970s and 1980s. Patents claiming priority to filings in that time frame expire 17 years <u>after they issue</u>. In contrast, patents claiming priority to filings after June 8, 1995, expire 20 years <u>after the earliest nonprovisional application was filed</u>.

In remanding, the panel stated that the district court had "repeatedly discounted or ignored evidence showing that [the patent applicant's] conduct caused unreasonable and unexplained delay." The panel provided the following examples:

- the patent applicant had a pattern of rewriting or shifting claims midway through prosecution in related patent applications;
- the Patent Office spent more than \$10 million administering the related patent applications and the patent applicant spent approximately \$7 million in fees;
- the patent applicant had filed approximately 115,000 claims in these patent families, many of which were identical or not patentably distinct; and
- the Patent Office estimated that it would take 532 years of examiner time to complete prosecution of the many filings.

The panel noted that upon remand, the district court should conduct "an examination of the totality of the circumstances, including the prosecution history of all of a series of related patents and overall delay in issuing claims." The panel also cautioned that the district court had put too much weight on assessing the delay resulting from the Patent Office's actions. The panel noted that a "delay by the [Patent Office] cannot excuse the appellant's own delay." Therefore, the district court's finding that the Patent Office "itself did nothing to police the conduct they now complain of for the better part of two decades" was not dispositive of the laches defense.

Finally, the panel addressed whether there was the required showing of prejudice for maintaining the prosecutionlaches defense. Under precedent, a delay of more than six years raises a rebuttable "presumption that it is unreasonable, inexcusable, and prejudicial." The panel also held that prejudice is established "where a patent applicant has committed a clear abuse of the PTO's patent examination system," such as "unduly increas[ing] the administrative burden on the" Patent Office. Under this rationale, the panel noted that "[b]arring significant evidence to the contrary" from the patent applicant, the Patent Office had "demonstrated material prejudice" in the present case.

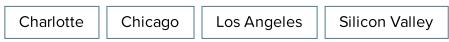
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