

## Intellectual Property Alert

### The Federal Circuit Issues Guidance on Intervening Rights

March 20, 2012

On March 15, 2012, the Federal Circuit issued an en banc opinion providing guidance on the subject of intervening rights in *Marine Polymer Technologies, Inc. v. HemCon, Inc.* (Fed. Cir. 2011) (*en banc*). The court split 5-5 on whether to affirm the district court's claim construction, leaving the district court's final judgment intact and reinstating a \$29.4 million jury verdict in favor of Marine Polymer. The court took the case *en banc*, however, to address whether intervening rights arise during reexamination "when the patentee limits the claim scope by argument rather than by formal amendment to the claim language." As an alternative ground for decision, a 6-4 majority agreed that intervening rights attach only when a patentee amends the text of the claim language during reexamination. The opinion is available [here](#).

HemCon, Inc. ("HemCon") appealed from a judgment of the District Court for the District of New Hampshire holding that HemCon infringes a patent owned by Marine Polymer Technologies, Inc. ("Marine Polymer"). On appeal, a Federal Circuit panel reversed the district court's decision, concluding that HemCon had acquired intervening rights based on arguments made by Marine Polymer during a parallel reexamination proceeding. Upon reconsideration by the *en banc* court, the majority stated that, regardless of whether Marine Polymer's arguments affected the scope of the claims, "they did not 'amend' those claims for intervening rights purposes or make them 'new,' which is what the statutory language requires."

Intervening rights is a defense against a patent modified through post-issuance proceedings. The doctrine was developed by courts based on the recognition that substantive changes to the scope of patent claims through a post-issuance proceeding could cause "gross injustice" where a third party—having already begun making, using, or selling a product—later discovers that its previously lawful activities are rendered infringing by the altered patent.

The doctrine was codified in the Patent Act of 1952. The statute provides, in relevant part, that *ex parte* and inter partes reexaminations will give rise to intervening rights where "[a]ny proposed *amended or new claims* [are] determined to be patentable and [are] incorporated into a patent following a reexamination proceeding[.]" 35 U.S.C. § 307(b) (emphasis added).

Judge Lourie, writing for the majority on the issue of intervening rights, explained that the phrase "amended" is a term of art in the patent prosecution and reexamination context, and "connotes formal changes to the actual language of a claim." Accordingly, the majority explained that a "claim can[not] be 'amended' . . . without changing the claim language itself."

Judge Dyk, writing for the dissent, characterized the majority's discussion of intervening rights as *dictum* given that the issue "was resolved by the affirmance" and was "not properly before [the court] on appeal." On the merits, the dissent also disagreed with the majority's interpretation of the statutory language, believing that it directly thwarts the purpose of intervening rights, defeats the public notice function of the patent system, and encourages patent applicants to engage in "improper strategic behavior" during reexaminations.



The majority rejected this view, reasoning that it is “highly unlikely” that requiring a textual amendment for the purposes of intervening rights would create a loophole in the statute by permitting patentees to rely on arguments during reexamination to avoid the creation of intervening rights.

---

**CONTACT INFORMATION**

If you have any questions concerning this alert, please contact—

**Cono A. Carrano**  
ccarrano@akingump.com  
202.887.4136  
Washington, D.C.

**Emily C. Johnson**  
johnsone@akingump.com  
202.887.4099  
Washington, D.C.