

In re Mostafazadeh: Clarification of Proper Recapture Analysis



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INTRODUCTION

Recapture is an elusive doctrine. In the context of a reissue, the purpose is to prevent inventors from recapturing subject matter that was previously surrendered in the original patent to obtain allowance. But, what exactly is the subject matter that has been surrendered? Take the straightforward example of an inventor canceling an independent claim and rewriting an allowable dependent claim (with limitation X) in independent form. Is the surrendered subject matter the canceled independent claim or any claim without limitation X? Or, is the surrendered subject matter somewhere between the canceled independent claim and limitation X?

For the last 5 years, the USPTO has held that the recapture rule requires the limitation X to be in the reissue claims in its entirety.¹ The rule that X cannot be broadened arose from two decisions by the Board of Patent Appeals and Interferences (BPAI), *Ex Parte Kraus*² and *Ex Parte Bieman*.³ These decisions had interpreted the Federal Circuit's decision in *North American Container, Inc. (NAC)*⁴ to have overruled the precedential BPAI decision in *Ex Parte Eggert*,⁵ which just a few years earlier had held that broadening X in a reissue was possible. Recently, the Federal Circuit has provided clarity in *In re Mostafazadeh*.⁶ In this author's opinion, *In Re Mostafazadeh* makes clear that Kraus and Bieman had misinterpreted NAC and that X may be broadened as long as the broadened form still materially narrows

the claim. *In re Mostafazadeh* also clearly states the proper three step analysis for the recapture rule, which is listed incorrectly in MPEP § 1412.02(I).

PROPER THREE STEP PROCESS

The Federal Circuit has applied a three step process in applying the recapture rule, with an exception that could be considered a fourth step. *In re Clement*⁷ provided the three step analysis: (1) "The first step in applying the recapture rule is to determine whether and in what 'aspect' the reissue claims are broader than the patent claims;" (2) "The second step is to determine whether the broader aspects of the reissue claims relate to surrendered subject matter;" (3) "Once we determine that an applicant has surrendered the subject matter of the canceled or amended claim, we then determine whether the surrendered subject matter has crept into the reissue claim." *In re Mostafazadeh* confirmed that these three steps are the proper test.⁸

However, there are instances where the recapture rule may be avoided, defined herein as an exception. *Hester Industries, Inc. v. Stein, Inc.*⁹ defined the exception as applying "when the reissue claims are materially narrower in other overlooked aspects of the invention." *In re Mostafazadeh* reiterated that an overlooked aspect "deals with claims in which there is no need to apply the recapture rule in the first place."¹⁰

ERRORS IN MPEP

The MPEP has never properly acknowledged the third step from *In re Clement*. Instead, the 7th edition Rev. 1 (2000) of the MPEP § 1412.02 incorrectly stated that *In re Clement* used a two-step process. Then, starting in the 8th edition Rev. 2 (2004), a third step was listed using Hester's exception language ("materially narrowed in other respects"), thereby continuing to omit *In re Clement*'s third step. This erroneous third step in the MPEP was followed in the *Mostafazadeh* BPAI decision.¹¹ In addressing this erroneous application of the third step, the *In re Mostafazadeh* court rebuked the BPAI by stating that their analysis was "perplexing" and "misplaced", and the PTO conceded their error during oral argument.¹²

The confusion of the exception being the third step appears to have been caused by *Pannu v. Storz Instruments Inc.*,¹³ which properly applied the third step as detailed in *In re Clement* and *Hester*, but stated the rule using Hester's exception language. *Pannu*¹⁴ held that the limitation Y ("snag resistant means") added in the reissue was not related to the limitation X ("shape of the haptics") used to obtain allowance in the original application. Although not expressed in the following terms, the *Pannu* court effectively held that surrendered subject matter had crept into the reissue claims because the limitation X had been entirely eliminated. *Pannu* never addressed whether limitation Y was directed to an overlooked aspect.

This confusing language in *Pannu* likely resulted from the appellant incorrectly using Hester's exception language to argue the third step, i.e., that the surrendered subject matter has not crept back into the claims since both X and Y "relate to the configuration of the haptics."¹⁵ This improper melding of the language of the third step and the exception continues in MPEP §1412.02(I)(C), in which *In Re Mostafazadeh*¹⁶ describes such language about overlooked aspects as "misplaced" when applying the third step.

Although MPEP §1412.02(I) improperly lists the exception as the third step, MPEP §1412.02(I)(C) does use some of *In re Clement*'s analysis in applying the proper third step, e.g., comparing the reissue claims to the canceled claims in the original application. But, here lies another error. MPEP §1412.02 (I)(C) errs by effectively stating that if the answer to step two is affirmative (i.e., the broadening is related to the surrendered subject matter), then recapture always bars the claim, although the MPEP provides a more circuitous explanation. Thus, the analysis of step three is effectively nullified.

The heart of the error is the example in MPEP §1412.02 (I)(C)(2)(d) that the limitation X, added to obtain allowance, cannot be broadened in any manner. The PTO's position is that limitation X cannot be modified under the application of the third step. However, *In Re Mostafazadeh* directly contradicts this assertion when the court states:

Thus, a limitation that is added during prosecution to overcome prior art cannot be entirely eliminated on reissue because doing so would constitute recapture of the surrendered subject matter. The limitation may be modified, however, so long as it continues to materially narrow the claim scope relative to the sur-

rendered subject matter such that the surrendered subject matter is not entirely or substantially recaptured.¹⁷ (emphasis added)

At page 11, In Re Mostafazadeh further labels the BPAI's analysis regarding the ban on broadening of limitation X as "perplexing."

IMPLEMENTING THE PROPER THIRD STEP

In re Clement has provided guidance for implementing the third step by stating:

(1) if the reissue claim is as broad as or broader than the canceled or amended claim in all aspects, the recapture rule bars the claim; (2) if it is narrower in all aspects, the recapture rule does not apply...; (3) if the reissue claim is broader in some aspects, but narrower in others, then: (a) if the reissue claim is as broad as or broader in an aspect germane to a prior art rejection, but narrower in another aspect completely unrelated to the rejection, the recapture rule bars the claim; (b) if the reissue claim is narrower in an aspect germane to prior art rejection, and broader in an aspect unrelated to the rejection, the recapture rule does not bar the claim¹⁸

Mostafazadeh's statement above regarding materially narrowing the claim scope relative to the surrendered subject matter is consistent with In re Clement's "narrower in an aspect germane to prior art rejection." The question is to what is this "material narrowing" relative.

In re Clement is clear that the comparison is to "the canceled or amended claim," where the amended claim simply refers the claim before limitation X is added (which reflects the prosecutors discretion of amending the independent claim or rewriting a dependent claim into independent form). This conclusion is supported by In re Clement's comparison of the reissue claim 49 to the canceled claim 42, and not to the issued claims.

In re Mostafazadeh confirms the comparison is relative to the canceled claim, by stating:

In discussing this third step, it is important to distinguish among the original claims (i.e., the claims before the surrender), the patented claims (i.e., the claims allowed after surrender), and the reissue claims. Violation of the rule against recapture may be avoided under this final step of the analysis if the reissue claims "materi-

ally narrow" the claims relative to the original claims such that full or substantial recapture of the subject matter surrendered during prosecution is avoided.¹⁹ (emphasis added).

By "materially narrow," In re Mostafazadeh elaborates that the difference ("attachment pads") between the reissue claim and the original claims must not be well known in the prior art of record.²⁰ Since the prior art disclosed "solder pads," In re Mostafazadeh held that "attachment pads" was not materially narrowing.

Thus, the limitation X is not required to exist in the reissue claims in its entirety, but the broadened X must still overcome the prior art of record.

ORIGINS OF ERROR IN MPEP §1412.02 (1)(C)(2)(D)

The error can be traced to Ex Parte Kraus's and Ex Parte Bieman's misinterpretation of NAC's holding to be that In re Clement's (3)(a) means broader with respect to limitation X, and not the proper comparison to the original claims. Now, why would the BPAI interpret NAC to contradict In re Clement and overrule the BPAI's precedential opinion in Ex Parte Eggert?

This improper interpretation of NAC was premised on the assumption that the reissue claims in NAC were amended relative to the canceled claim in an aspect germane to the prior art rejection.²¹ Since the reissue claims were found to be barred by recapture, the board in Ex Parte Kraus rationalized that the NAC court must have applied Clement's (3)(a). But, In re Mostafazadeh highlights that this assumption by the Kraus board was incorrect. ("[w]e held that the reissue claims violated the recapture rule because the alleged narrowing did not relate to the surrendered subject matter."²² (emphasis added). Freed by this correct interpretation of NAC, In re Clement's (3)(a) is properly interpreted as being relative to the canceled claim while still being consistent with NAC. Additionally, it can be seen that NAC never overruled Ex Parte Eggert, which held that broadening was allowed.

CONCLUSION

When analyzed carefully, In Re Mostafazadeh provides great clarity to the proper application of the three-step recapture rule, with the third step being "whether the surrendered subject matter has crept into the reissue claim." The first two steps are clear; however, confusion has existed at the PTO about the statement of the third step and its application. The confusion regarding the statement of the third step began with Pannu, which applied the third

step properly but incorrectly stated the rule for the third step. This confusion has partly eroded the existence of the third step at the PTO, but hopefully In Re Mostafazadeh will stem that erosion and reinstate the proper third step.

Further confusion in the application of the third step was caused by faulty assumptions made by the BPAI, specifically faulty assumptions about the holding in NAC. Again, In Re Mostafazadeh has provided clarity by stating correctly the holding in NAC. This clarity along with other statements in In Re Mostafazadeh make clear that a limitation X added to gain allowance in the original patent may be broadened in a reissue, as long as X_{BROADENED} materially narrows the claim (i.e. X_{BROADENED} overcomes the prior art of record in the original patent).

Accordingly, the proper analysis for the third step is: (1) compare the reissue claim to the claim last rejected in the original patent to identify any narrowing limitation Y (this analysis may be more complicated if recapture arises from argument and not amendment); (2) determine whether Y relates to the surrendered subject matter of limitation X; and (3) if Y does relate to the surrendered subject matter, then determine if Y materially narrows the claim. If narrowing limitation Y does not relate to the surrendered subject matter of limitation X, the third step bars the claim, although one can still argue that the exception applies if Y was never present in the original application (i.e. an overlooked aspect). If there is no narrowing limitation Y relative to the canceled claim, then recapture bars the reissue claim. **IP**

ENDNOTES

1. Manual of Patent Examining Procedure § 1412.02
2. Ex Parte Kraus, Appeal 2005-0841.
3. Ex Parte Bieman, Appeal 2004-0659.
4. North American Container, Inc. v. Plastipak Packaging, Inc., 415 F.3d 1335, 75 USPQ2d 1545 (Fed. Cir. 2005).
5. Ex parte Eggert, 67 USPQ2d 1716 (Bd. Pat. App. & Int. 2003).
6. In re Mostafazadeh, No. 10-1260 (Fed. Cir. May 3, 2011).
7. In re Clement, 45 USPQ2d 1161, 1164 (Fed. Cir. 1997).
8. In re Mostafazadeh, No. 10-1260, at page 8.
9. Hester Industries, Inc. v. Stein, Inc., 46 USPQ2d 1641, 1649-1650 (Fed. Cir. 1998).
10. In re Mostafazadeh, No. 10-1260, at page 12.
11. In re Mostafazadeh Appeal 2009-004238, page 11.
12. In re Mostafazadeh, No. 10-1260, at pages 9-11.
13. Pannu v. Storz Instruments Inc., 59 USPQ2d 1597, 1600 (Fed. Cir. 2001)
14. Pannu, at page 1601.
15. Pannu, at page 1600.
16. In re Mostafazadeh, No. 10-1260, at page 12.
17. In re Mostafazadeh, No. 10-1260, at page 10.
18. In re Clement, at page 1165.
19. In re Mostafazadeh, No. 10-1260, at pages 8 and 9.
20. In re Mostafazadeh, No. 10-1260, at pages 13, 14, and footnote 4.
21. Ex Parte Kraus, at pages 59-60.
22. In re Mostafazadeh, No. 10-1260, at page 9.