

'In re Collect': How Patent Owners Can Protect Themselves From Obviousness-Type Double Patenting Invalidity Determinations

By Derrick Carman | March 22, 2024

The recent case of *In re Collect*, No. 22-1293 (Fed. Cir. 2023) serves as a warning to patent owners who rely too heavily on the U.S. Patent and Trademark Office (USPTO) to completely and accurately examine their patent applications. In *Collect*, the USPTO's failure to issue an obviousness-type double patenting (ODP) rejection during prosecution, combined with a grant of Patent Term Adjustment (PTA) under pre-AIA 35 U.S.C. 154(b), led to the invalidation of *Collect* LLC's patents. This article presents patent owners with several options to consider to avoid a fate similar to *Collect*.

Background

Collect owned a patent portfolio including a number of related child patents, all claiming priority from a single parent patent. During prosecution of the family, two notable events occurred.

First, the original examiner never rejected the child applications under ODP. ODP is a judicially created doctrine that prevents patentees from artificially extending their patent term by filing serial applications that have obvious variants of claims obtained in earlier patents. According to the U.S. Court of Appeals for the Federal Circuit, ODP serves two distinct purposes. First, it "prevent[s] unjustified timewise extension of the right to exclude granted by a patent no matter how the extension is brought about." *In re Hubbell*, 709 F.3d 1140, 1145 (Fed. Cir. 2013) (citations omitted). Second, it "prevent[s] multiple infringement suits by different assignees asserting essentially the same patented invention."

When ODP rejections are issued during prosecution, applicants typically overcome those rejections by filing a terminal disclaimer. Thereby, patentees forfeit any patent term that would extend beyond the term of the earlier expiring patent and promise not to assign the terminally disclaimed patent to a different party than the earlier expiring patent. In *Collect*, none of the patents received an ODP rejection during original prosecution. Thus, no terminal disclaimers were filed.

The second notable event that occurred during the original prosecution was the grant of Patent Term Adjustment ("PTA") under pre-AIA 35 U.S.C. 154(b). PTA grants patentees an extension to the term of an issued patent where the USPTO delayed prosecution through no fault of the patent owner. Under Section 154(b), patentees receive a day-for-day extension of patent term for various USPTO delays, such as those resulting from a successful appeal.

As a result of these two events, four of *Collect*'s patents expired after the date on which the original patent expired.

After all of the patents in the family had expired, the four patents that were granted PTA were challenged in an ex parte reexamination. The USPTO instituted reexamination and found that the

four patents were invalid over an earlier expiring patent in the family based on ODP. Further, because the patents had already expired, no terminal disclaimers could be filed to preserve the validity of the patents. In other words, Cellect's patents were adjudged to be invalid and expired.

This result was dictated entirely by the USPTO's failure to issue an ODP rejection in the original prosecution and the USPTO's unreasonable delays, which resulted in the award of PTA. If the USPTO had issued ODP rejections during prosecution, Cellect could have filed terminal disclaimers. Similarly, had the USPTO not delayed prosecution, the patents would all have expired on the same day, irrespective of any terminal disclaimers.

What lessons can patent owners take from Cellect's misfortune? Perhaps the most important lesson is the reminder that the USPTO is only one of the parties involved in examining patents. The goal of patent prosecution should be to obtain valid and enforceable patents, not just obtain a patent. Patent applicants and their counsel should participate in prosecution with this goal in mind. The USPTO is not infallible, and patent applicants should take steps where possible to ensure that their applications are being examined thoroughly and fully to avoid surprises at a later date.

For example, patent applicants and practitioners may wish to confirm through an examiner interview that the examiner has considered certain aspects of the prior art or procedural history of a patent. While this approach should be used sparingly and strategically, it may be worth it in certain situations. After all, many issues are easy to fix during original prosecution but much more difficult to remedy once a patent has issued (or expired, as was the case in *Cellect*).

Beyond that general lesson, patent applicants have a few different options from which they can choose in the hopes of avoiding the same unwelcome surprise that Cellect received.

The first, and most risk-averse, option that patent applicants can choose is to automatically file a terminal disclaimer whenever a continuation or divisional application is filed in a patent family. By automatically filing a terminal disclaimer, a patent applicant guarantees that all of the patents in the family will expire on the same day and, therefore, will not be subject to any ODP challenges later on.

On the other hand, this approach does potentially sacrifice some patent term. As the name suggests, ODP only applies where the claims in the later application are "obvious variants" of earlier-expiring claims. If the claims of the later-expiring patent are *not* obvious variants of the earlier-expiring claims, and the later-expiring patent is entitled to PTA, then the automatic filing of the terminal disclaimer would unnecessarily limit the term of the later-expiring patent. This situation could potentially cost the patentee money in a later suit for damages by cutting short the damages period for infringing products.

Thus, for a patentee who is most concerned about the validity of their patents and less about the potential damages window, a policy of automatically filing a terminal disclaimer may serve to protect patent validity at the risk of shortening the life of certain patents.

The second option is to conduct a realistic comparison of any continuation or divisional claims against already allowed claims. This path requires that the patent applicant and their counsel remove the rose-colored glasses with which they often view their inventions and honestly assess whether claims filed in a continuation are arguably obvious over earlier obtained claims.

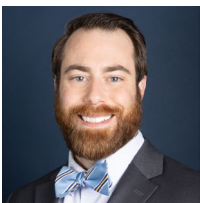
This course of action can serve two purposes. First, the inventor and/or their counsel may genuinely believe that the claims are not obvious variants. In such a case, if the USPTO makes an

ODP rejection or a litigant later asserts ODP, the patentee and their counsel can have already prepared a response. Second, if the claims truly are obvious variants, then the applicant can proactively file a terminal disclaimer to ensure that they do not suffer the same fate as *Cellect*. This option provides a balanced risk profile by placing some of the onus on the patent applicant and their counsel, while not automatically filing terminal disclaimers out of fear.

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The third option is to follow the same path as *Cellect*. Patent applicants can decline to proactively file terminal disclaimers and instead wait for the USPTO to take action. If the USPTO issues an ODP rejection during prosecution, then a terminal disclaimer can be filed. Similarly, if a litigant raises an ODP issue during the life of the patent, a terminal disclaimer can still be filed to save the patent. However, as *Cellect* discovered, if the patent owner intends to seek past damages after the patents expire, this option poses the risk that the patents will be adjudged invalid and unsalvageable after the expiration date.

As with most intellectual property strategies, the most appropriate path is goal- and applicant-specific. But, *Cellect* should remind patent practitioners and their clients that they should be active participants in the patenting process and failure to do so can lead to unforeseen, but avoidable issues years after the patentee celebrated issuance of their patent.



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