

The opinion in support of the decision being entered today is not binding precedent of the Board.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte MARGARET ALELES, CLAUDIA KAMINSKI,
and CURTIS A. COLE

Appeal 2006-2248
Application 10/158,618¹
Technology Center 1600

ON BRIEF

Before: GARRIS, JERRY SMITH, and MACDONALD, Administrative Patent Judges.

MacDONALD, Administrative Patent Judge.

¹ Application filed May 30, 2002, seeking to reissue U.S. Patent 6,068,847, issued May 30, 2000, based on application 08/940,880, filed September 30, 1997. The real party in interest is Johnson & Johnson Consumer Products, Inc. Appeal Brief (filed May 11, 2004), page 3. Contrary to Appellants' statement at page 3 of the brief, claim 1 was not allowed and has been finally rejected by the Examiner. For purposes of this decision, we treat claim 1 as appealed given Appellants' defective declaration arguments are equally applicable to claim 1.

DECISION ON APPEAL UNDER 35 U.S.C. § 134

A. Introduction

1. Applicants appeal from a final rejection entered May 14, 2003.
2. The reissue application on appeal seeks to reissue U.S. Patent 6,068,847, issued May 30, 2000, based on application 08/940,880, filed September 30, 1997.
3. The reissue application contains claims 1-40.
4. Claims 1-19 have been rejected under 35 U.S.C. § 251 on the grounds that the reissue declaration is defective.
5. Claims 2-19 have been rejected under 35 U.S.C. § 251 on the grounds that these claims seek to recapture subject matter surrendered when the patent sought to be reissued was granted.
6. Claims 20-40, the remaining claims, have been withdrawn from consideration as being directed to non-elected subject matter and are not on appeal before this Board (Reissue final rejection at page 2).
7. The principal issues before the Board are whether Applicants have established that the Examiner erred in rejecting claims 1-19 based on a defective reissue declaration and erred in rejecting claims 2-19 based on recapture.

B. Findings of fact

The following findings of fact are believed to be supported by a preponderance of the evidence.

The invention

1. The invention relates to skin care compositions containing retinoids which generally improve the quality of the skin (U.S. Patent 6,068,847, col. 1, lines 7-9).
2. The patent also refers to the "skin care compositions" as "cosmetic compositions."
3. The compositions of this invention are preferably emulsions (col. 4, lines 49-50).
4. Also preferably, the compositions of this invention contain liposomes. Liposomes are vesicular lipid membrane structures enclosing a volume of water (col. 5, lines 9-11).
5. However, such liposome vesicles need not be formed in order to achieve a low-irritation product. For example, the oil phase of the compositions

may contain glyceryl distearate and cholesterol and the like, which are wall forming surfactants. Other fatty alcohols such as stearyl alcohol may also form a portion of the compositions of this invention (col. 5, lines 27-31).

6. Applicants state that in the known commercial systems, certain retinoid compounds, in particular retinol, retinal, retinoic acid, and the retinyl esters, tend to cause substantial irritation to the skin. Applicants disclose their invention overcomes this difficulty by providing a composition containing at least one retinoid compound wherein the irritation caused by the retinoid is significantly reduced (col. 5, lines 45-53).

7. The retinoid compounds which are useful in the compositions of the present invention consist of Vitamin A alcohol (retinol), Vitamin A aldehyde (retinal) and Vitamin A esters (retinyl acetate and retinyl palmitate). These retinoids are utilized in the compositions of the present invention in a therapeutically effective amount that may range from about 0.001 to about 5% by weight of the total compositions, preferably from about 0.001 to about 1% (col. 6, lines 60-67).

8. It is also preferable to have at least one oil-soluble antioxidant in the compositions of this invention. The oil-soluble antioxidants which are

useful in the compositions of the present invention include butylated hydroxytoluene (BHT), ascorbyl palmitate, butylated hydroxyanisole (BHA), α -tocopherol, phenyl- α -naphthylamine, hydroquinone, propyl gallate, nordihydroguaiaretic acid, and mixtures thereof as well as any other known oil-soluble antioxidant compatible with the other components of the compositions. (col. 6, lines 22-31).

9. The oil-soluble antioxidants useful in the compositions of this invention should be utilized in a stabilizing effective amount and may range in total from about 0.001 to about 5% based on the weight of the total composition, preferably from about 0.01 to about 1%. The amount of antioxidants utilized in the compositions of the present invention is dependent in part on the specific antioxidants selected, the amount of and specific retinoid being protected and the processing conditions. For example, a retinol formulation should include BHT in the amount of from about 0.01% to about 1% by weight. A retinal formulation should include BHT in the amount of from about 0.01% to about 1% by weight (col. 6, lines 32-44).

10. The compositions of this invention may also include a chelating agent to minimize metal ion contamination. The retinoid compounds of this

invention are sensitive to metal ions and in particular to bi- and tri-valent actions and in certain instances, appear to degrade rapidly in their presence. The chelating agent forms a complex with the metal ions thereby inactivating them and preventing them from affecting the retinoid compounds. Chelating agents which are useful in the compositions of this invention include ethylenediamine tetraacetic acid (EDTA) and derivatives and salts thereof, dihydroxyethyl glycine, citric acid, tartaric acid, and mixtures thereof. The chelating agents should be utilized in a stabilizing effective amount and may range from about 0.01 to about 2% based on the weight of the total composition, preferably from about 0.05 to about 1% (col. 6, lines 45-59).

11. The pH of the compositions should be in the range of from about 4 to about 9, and preferably from about 4 to about 7. Most preferably, the pH of the compositions should be at least 5 (col. 7, lines 5-8).

12. Preferably, glycerin is included in the formulations of this invention as a humectant, however, it should be present in relatively low amounts. Preferably, the amount of glycerin should be less than 10% of the total composition. More preferably, it should be less than 5% of the total composition by weight. It is theorized that glycerin may enhance penetration of an active or

irritating ingredient, thus increasing the amount of its irritation-producing effects. Thus, glycerin should be present in the composition in a low penetration-enhancing effective amount (col. 7, lines 55-65).

13. A branched-chain fatty alcohol ester such as octyl hydroxy stearate may also contribute to the mildness of the compositions of this invention. Other branched-chain fatty esters may be useful in mitigating the irritating effects of the compositions of this invention (col. 8, lines 7-11).

14. Preferably, the inclusion of irritating compounds should be avoided. For example, butylene glycol is potentially irritating and may cause additional irritation in the type of formulations of this invention. Other potentially irritating compounds include soaps, amine-based compounds, surfactants, certain sunscreen active ingredients and compounds which cause the pH of the composition to become either extremely acidic or extremely basic (col. 7, line 66, to col. 8, line 6).

15. As shown herein at Appendix 6, Example 11 (col. 14, lines 25-54) is the closest disclosed cosmetic composition to the composition claimed in

patent claim 1. However, they are not identical and no disclosed composition corresponds to the patent claim.²

Prosecution history of the original application

16. As noted earlier, the patent sought to be reissued was based on application 08/940,880, filed September 30, 1997 ("original application").

17. As filed, the original application contained claims 1-10 (reproduced in Appendix 1 of this opinion). Only claim 1 is independent.

18. Original independent application claim 1 recites three (3) components of the claimed composition and no specific % w/w for the components with all three components being recited as a genus of chemical compounds. Dependent claims 2-5 and 9 limit the genus to a recited group of chemical compounds. Dependent claims 6-8 and 10 limit the genus to one specific chemical compound.

19. On June 22, 1999, the Examiner entered a first Office action.

² We note that patent claim 1 (the claim 1 currently on appeal) is NOT identical to allowed claim 11, and neither are identical to Example 11 of the specification. There appear to be both transcription and printing errors which are not corrected by this reissue. The % w/w of the last 3-4 compounds in Example 11 of the original application specification should be carefully compared to patent claim 1.

20. Claims 1-10 were rejected on various grounds.
21. Claims 1-10 were rejected under the second paragraph of 35 U.S.C. § 112 as being indefinite.
22. Claims 1-7 and 9 were rejected under 35 U.S.C. § 102 as being anticipated by Felty, U.S. Patent 3,906,108.
23. Claims 1-8 were rejected under 35 U.S.C. § 102 as being anticipated by Granger et al. (Granger), U.S. Patent 5,693,330.
24. Claim 10 was rejected under 35 U.S.C. § 103 as being unpatentable over Granger.
25. Felty and Granger are prior art vis-à-vis Applicants under 35 U.S.C. § 102(b) and 35 U.S.C. § 102(e) respectively.
26. The Examiner found that Felty's "example 1" described the invention of claims 1-7 and 9.
27. The Examiner found that Granger's "example 4" described the invention of claims 1-8.
28. The Examiner further found (First action at page 4):

[I]t would have been obvious to one of ordinary skill in the art at the time the invention was made to prepare [Granger's example 4] and add the specific fatty alcohol ester [octyl hydroxyl stearate] expecting beneficial effect, i.e. the compositions [would] exhibit better emolliency.

29. In due course, Applicants filed an amendment responding to the Examiner's first Office action.

30. As shown in Appendix 2 of this opinion, the amendment:

- (1) added new claim 11 and
- (2) amended claims 1 and 5,

31. New independent claim 11 covers a very specific embodiment of the compounds covered by claim 1. After entry of the amendment, the application claims were 1-11.

32. In the amendment, Applicants stated as follows:

Applicant's invention is directed to retinoid compositions which have a low irritation profile. As amended, Applicant's invention claims a retinoid composition having a pH from about 4 to about 7. Felty neither teaches or suggests a retinoid composition having a pH from about 4 to about 7 or a retinoid composition which have a low irritation profile (the bottom of page 6 and top of page 7).

33. In the amendment, Applicants also stated as follows:

Granger neither teaches nor suggests a retinoid composition having a specific pH range (page 7).

34. In the amendment, Applicants do not make any statement about newly added claim 11.

35. A telephonic interview took place on January 20, 2000.

36. The interview summary (January 20, 2000) shows:

The Examiner informed the attorney of record that the application is in condition for allowance [subject] to the cancellation of claims 1-10. The attorney of record authorized the Examiner to cancel claims 1-10 and amend claim 11 by Examiner's amendment in order to place the application in condition for allowance.

37. Claim 11 was amended by Examiner's amendment as shown in Appendix 3 and the original application was then allowed.

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38. Consistent with Office practice, the claims were re-numbered in the course of preparing the original application for issue, all as follows:

Chronological by original claim

<u>Original Application claim number</u>	<u>Patent claim as re-numbered</u>
1	Canceled
2	Canceled
3	Canceled
4	Canceled
5	Canceled
6	Canceled
7	Canceled
8	Canceled
9	Canceled
10	Canceled
11	1

39. U.S. Patent 6,068,847 issued May 30, 2000, based on the original application and contained claim 1, as shown in Appendix 4 of this opinion.

Prosecution of reissue application

40. Applicants filed reissue application 10/158,618 on May 30, 2002 seeking to reissue U.S. Patent 6,068,847.

41. Applicants presented original patent claim 1 along with new reissue application claims 2-19 for consideration.

42. Reissue application claims 1-19 are before the Board in the appeal.

43. A copy of reissue application claims 1-19 appears in Appendix 5 of this opinion. Claims 1, 2, 8, and 9 are independent claims.

44. In response to the Examiner's first action on the merits in the reissue application, Applicants amended the claims to place claims 1-19 in the proper reissue format and to add new reissue application claims 20-40.

45. The Examiner withdrew reissue application claims 20-40 from consideration as being directed to non-elected subject matter (Reissue application final rejection at page 2).

46. Reissue application claims 20-40 are not before the Board in this appeal.

47. The Examiner has rejected reissue application claims 1-19 under 35 U.S.C. § 251 maintaining that the reissue declaration is defective.

48. The Examiner has rejected reissue application claims 2-19 under 35 U.S.C. § 251 maintaining that the claims seek to "recapture" subject

matter surrendered in obtaining allowance of the claims which appear in the patent sought to be reissued.

49. The Examiner based the recapture rejection of claims 2-19 on the grounds that when faced in the original application with a rejection of original application claims 1-7 and 9 under 35 U.S.C. § 102 over the Felty prior art patent, a rejection of original application claims 1-8 under 35 U.S.C. § 102 over the Granger prior art patent, and a rejection of original application claim 10 under 35 U.S.C. § 103 over the Granger prior art patent, Applicants made two significant amendments:

(1) First, Applicants presented new independent original application claim 11 which recites twenty-five (25) components of the claimed composition and a specific % w/w of each component with twenty-four (24) of the twenty-five (25) recited components being specific chemical compounds; new independent application claim 11 ultimately became patent claim 1.

(2) Second, Applicants first limited by amendment and then canceled original application claims 1-10.

Examiner's rejection

50. The Examiner rejected reissue application claims 1-19 under 35 U.S.C. § 251 for a defective reissue declaration.

51. The Examiner reasoned as follows (see Examiner's Answer entered July 26, 2004, page 3):

The reissue oath/declaration filed with this application dated 4/16/03 is defective because [(1)] it fails to point out at least **one specific error** [in the patent sought to be reissued,] and [(2)] there is no reference [in the reissue declaration to the Declaration filed by Andrea L. Colby in the Reissue declaration or incorporation reference of the [Colby Declaration], and [(3)] it does not contain a statement that all errors which are being corrected in the reissue application up to the time of filing of the oath/declaration arose without any deceptive intention on the part of the applicant.

52. The “Reissue Application Declaration” filed April 16, 2003 contains the following statement at page 3:

That the error listed above, which are being corrected, up to the time of the filing of this reissue declaration arose without any deceptive intention on the part of the applicant.

53. The record supports the Examiner's first and second findings with respect to what the reissue declaration fails to point out or reference.

54. The record does not support the Examiner's third finding with respect to what the reissue declaration fails to contain. See Finding of Fact 52.

55. The Examiner rejected reissue application claims 2-19 as being unpatentable under 35 U.S.C. § 251 for recapturing subject matter surrendered in obtaining allowance of claims during prosecution of the application which matured into the patent sought to be reissued.

56. The Examiner reasoned as follows (see Examiner's Answer entered July 26, 2004, page 5):

[It] is the [Examiner's] position that the claims 2-19 are of the same scope as cancelled claims 1-10 and the record of the application for the patent shows that the broadening aspect (in the reissue) relates to subject matter that applicant previously surrendered during the prosecution of the application in order to obtain allowance there of. Accordingly, the narrow scope of the claims in the parent was not an error within the meaning of 35 U.S.C. 251, and the broader scope surrendered in the application for patent cannot be recaptured by the filing of the present reissue application.

57. The Examiner does on to state (page 6):

Appellants in the parent application canceled all the subject matter drawn to claims 1-10 of the parent application and the claim [11] that was allowed was to a specific composition with a particular concentration for each ingredient.

58. The record supports the Examiner's findings with respect to what limitations do not appear in reissue application claims 2-19 which were present in claim 11 of the original application, which became patent claim 1.

C. Discussion

1. Recapture principles

(1)

The statute

The reissue statute expressly permits a patentee to correct an error thus permitting patentee to obtain reissue claims broader than the originally issued patent claims at any time within two (2) years from the date the original patent issues. More particularly, 35 U.S.C. § 251, ¶¶ 1 and 4, provide in pertinent part:

Whenever any patent is, through error without any deceptive intention, deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent, the Director shall, on the surrender of such patent and the payment of the fee required by law, reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent.

No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent.

(2)
Recapture is not an error
within the meaning of 35 U.S.C. § 251

What has become known as the “recapture rule,” prevents a patentee from regaining through a reissue patent subject matter that the patentee surrendered in an effort to obtain allowance of claims in the patent sought to be reissued. In re Clement, 131 F.3d 1464, 1468, 45 USPQ2d 1161, 1164 (Fed. Cir. 1997).

If a patentee attempts to “recapture” what the patentee previously surrendered in order to obtain allowance of original patent claims, that “deliberate withdrawal or amendment ... cannot be said to involve the inadvertence or mistake contemplated by 35 U.S.C. § 251, and is not an error of the kind which will justify the granting of a reissue patent which includes the [subject] matter withdrawn.” Mentor Corp. v. Coloplast, Inc., 998 F.2d 992, 995, 27 USPQ2d 1521, 1524 (Fed. Cir. 1993), quoting from Haliczer v. United States, 356 F.2d 541, 545, 148 USPQ 565, 569 (Ct. Cl. 1966).³ See also Hester Industries Inc. v. Stein, Inc., 142 F.3d 1472, 1480, 46 USPQ2d 1641, 1647 (Fed. Cir.), cert. denied, 525 U.S. 947 (1998).

³ Haliczer is binding precedent. See South Corp. v. United States, 690 F.2d 1368, 215 USPQ 657 (Fed. Cir. 1982) (in banc) (decisions of the former U.S. Court of Customs and Patent Appeals and former U.S. Court of Claims decisions are binding precedent).

(3)
In re Clement

The Federal Circuit's opinion in Clement discusses a three-step test for analyzing recapture.

Step 1 involves a determination of whether and in what aspect any claims sought to be reissued are broader than the patent claims. The Federal Circuit reasoned that a reissue application claim deleting a limitation or element from a patent claim is broader as to that limitation's or element's aspect. 131 F.3d at 1468, 45 USPQ2d at 1164.

Step 2 involves a determination of whether the broader aspects of the reissue application claims relate to surrendered subject matter. 131 F.3d at 1468-69, 45 USPQ2d at 1164. In this respect, review of arguments and/or amendments during the prosecution history of the application, which matured into the patent sought to be reissued, is appropriate. In reviewing the prosecution history, the Federal Circuit observed that "[d]eliberately canceling or amending a claim in an effort to overcome a [prior art] reference strongly suggests that the applicant admit that the scope of the claim before cancellation or amendment is unpatentable. 131 F.3d at 1469, 45 USPQ2d at 1164.

Step 3 is applied when the broadening relates to surrendered subject matter and involves a determination whether the surrendered subject matter has crept into the reissue application claim. Id. The following principles were articulated by the Federal Circuit, 131 F.3d at 1470, 45 USPQ2d at 1165:

Substep (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;

Substep (2): if it is narrower in all aspects, the recapture rule does not apply, but other rejections are possible;

Substep (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 [a] prior art rejection, and broader in an aspect unrelated to the rejection, the recapture rule does not bar the claim, but other rejections are possible.

(4)

North American Container

In North American Container, Inc. v. Plastipak Packaging, Inc., 415 F.3d 1335, 75 USPQ2d 1545 (Fed. Cir. 2005), the Federal Circuit had occasion to further address Substep (3)(a) of Clement.

North American Container involved a reissue patent, which had been held invalid by the U.S. District Court for the Northern District of Texas. The district court bottomed its invalidity holding based on a violation of the recapture rule. During prosecution of an application for patent, an Examiner rejected the claims over a combination of two prior art references: Dechenne and Jakobsen. To overcome the rejection, North American Container limited its application claims by specifying that a shape of “inner walls” of a base of a container was “generally convex.” North American Container convinced the Examiner that the shape of the base, as amended, defined over “both the Dechenne patent, wherein the corresponding wall portions 3 are slightly concave ... and the Jakobsen patent, wherein the entire reentrant portion is clearly concave in its entirety.” 415 F.3d at 1340, 75 USPQ2d at 1549. After a patent issued containing the amended claims, North American Container filed a reissue application seeking reissue claims in which (1) the language “inner wall portions are generally convex” was eliminated, but (2) the language “wherein the diameter of said re-entrant portion is in the range of 5% to 30% of the overall diameter of said side wall” was added. Thus, the claim sought be reissued was broader in some aspects and narrower in other aspects.

The Federal Circuit, applying the Clement three-step test, held that the reissue claims were broader in scope than the originally-issued claims in that they no longer require the “inner walls” to be “generally convex.” The Federal Circuit further found that the broadened aspect (i.e., the broadened limitation) “relate[d] to subject matter that was surrendered during prosecution of the original-filed claims.” 415 F.3d at 1350, 75 USPQ2d at 1557. The Federal Circuit observed “the reissue claims were not narrowed with respect to the ‘inner wall’ limitation, thus avoiding the recapture rule.” The Federal Circuit stated:

[t]hat the reissue claims, looked at as a whole, may be of “intermediate scope” is irrelevant. . . . [T]he recapture rule is applied on a limitation-by-limitation basis, and ... [North American Container’s] deletion of the “generally convex” limitation clearly broadened the “inner wall” limitation.

Id. Thus, the Federal Circuit in North American Container further developed the principles of Substep (3)(a) of Clement: “broader in an aspect germane to a prior art rejection” means broader with respect to a specific limitation (1) added to overcome prior art in prosecution of the application which matured into the patent sought to be reissued and (2) eliminated in the reissue application claims.

(5)
Ex parte Eggert

Our opinion in Ex parte Eggert, 67 USPQ2d 1716 (Bd. Pat. App. & Int. 2003), issued as a precedential opinion, is also part of the recapture precedent applicable to proceedings before the United States Patent & Trademark Office (USPTO). Eggert was entered on May 29, 2003, prior to the Federal Circuit's North American Container decision. In Eggert, the majority stated that “[i]n our view, the surrendered subject matter is the outer circle of Drawing 1 [the rejected claim prior to the amendment that resulted in the claim being issued] because it is the subject matter appellants conceded was unpatentable.” 67 USPQ2d at 1717. The majority further held that “in our view” subject matter narrower than the rejected claim but broader than the patented claim is not barred by the recapture rule. Id. The majority explained that if the finally rejected claim was ABC and the patent claim was ABCDEF, there would be recapture for ABC or anything broader than ABC, but not for claims directed to ABCX, ABCD_{Br}, ABCEF, or A_{Br}BCDEF, because those claims would be narrower than the finally rejected claim ABC. 67 USPQ2d at 1717. In its opinion, the majority recognized that the Federal Circuit had held that “the mere presence of narrowing limitations in the reissue claim is

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not necessarily sufficient to save the reissue claim from the recapture rule.” 67
USPQ at 1729.

Board of Patent Appeals and Interferences Standard Operating Procedure 2
(Revision 6) (August 10, 2005) mandates that a published precedential opinion of
the Board is binding on all judges of the Board unless the views expressed in an
opinion in support of the decision, among a number of things, are inconsistent with
a decision of the Federal Circuit. In our view, the majority view in Eggert is
believed to be inconsistent with the subsequent Federal Circuit decision in North
American Container with respect to the principles governing application of
Substep (3)(a) of Clement.

The Eggert majority’s analysis is believed to be consistent with North
American Container in that the majority applied the three-step framework analysis
set forth in applicable Federal Circuit opinions, e.g., (1) Pannu v. Storz Instruments
Inc., 258 F.3d 1366, 1370-71, 59 USPQ2d 1597, 1600 (Fed. Cir. 2001); (2)
Clement, 131 F.3d at 1470, 45 USPQ2d at 1165 and (3) Hester, 142 F.3d at 148,
46 USPQ2d at 1648-49. However, the Eggert majority also held that the
surrendered subject matter was the rejected claim only rather than the amended
portion of the issued claim. 67 USPQ2d at 1717. At a similar point in the

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recapture analysis, North American Container has clarified the application of the three-step framework analysis. North American Container holds that the “inner walls” limitation (a portion of the issued claim that was added to the rejected claim by amendment) was “subject matter that was surrendered during prosecution of the original-filed claims.” 415 F.3d at 1350, 75 USPQ2d at 1557.

It is believed that the Substep (3)(a) rationale of the Eggert majority (1) is not consistent with the rationale of the Federal Circuit in North American Container and (2) should no longer be followed or be applicable to proceedings before the USPTO.

(6)
What subject matter is surrendered?

In a case involving Substep (3)(a) of Clement, what is the subject matter surrendered?

Is it

- (1) the subject matter of an application claim which was amended or canceled or
- (2) the subject matter of an application claim which was amended or canceled and, on a limitation-by-limitation basis, the territory falling between the scope of
 - (a) the application claim which was canceled or amended and
 - (b) the patent claim which was ultimately issued?

We believe North American Container stands for the proposition that it is (2) and not (1). Accordingly, we hold that it is (2).

(7)

Clement principles are not per se rules

Our reading of our appellate reviewing court's recapture opinions, as a whole, suggests that the Clement steps should not be viewed as per se rules. For example, we note the following in Clement, 131 F.3d at 1469, 45 USPQ2d at 1164:

Although the recapture rule does not apply in the absence of evidence that the applicant's amendment was "an admission that the scope of that claim was not in fact patentable," Seattle Box Co. v. Industrial Crating & Packing, Inc., 731 F.2d 818, 826, 221 USPQ 568, 574 (Fed. Cir. 1984), "the court may draw inferences from changes in claim scope when other reliable evidence of the patentee's intent is not available," Ball [Corp. v. United States], 729 F.2d at 1436, 221 USPQ at 294. Deliberately canceling or amending a claim in an effort to overcome a reference strongly suggests that the applicant admits that the scope of the claim before the cancellation or amendment is unpatentable, but it is not dispositive because other evidence in the prosecution history may indicate the contrary. See Mentor [Corp. v. Coloplast, Inc.], 998 F.2d at 995-96, 27 USPQ2d at 1524-25; Ball, 729 F.2d at 1438, 221 USPQ at 296; Seattle Box Co., 731 F.2d at 826, 221 USPQ at 574 (declining to apply the recapture rule in the absence of evidence that the applicant's "amendment ... was in any sense an admission that the scope of [the] claim was not patentable"); Haliczer [v. United States], 356 F.2d at 545, 148 USPQ at 569 (acquiescence in the rejection and acceptance of a patent whose claims include the limitation added by the applicant to distinguish the claims from the prior art shows intentional withdrawal of subject matter); In re Willingham, 282 F.2d 353, 354, 357, 127 USPQ 211, 213, 215 (CCPA 1960) (no intent to surrender where the applicant canceled and replaced a claim without an intervening action by the Examiner). Amending a claim "by the inclusion of an additional limitation [has] exactly the same effect as if the claim as originally presented had been

canceled and replaced by a new claim including that limitation.” In re Byers, 230 F.2d 451, 455, 109 USPQ 53, 55 (CCPA 1956). [Footnote and citations to the CCPA reports omitted.]

(8)

Allocation of burden of proof

What is the proper allocation of the burden of proof in ex parte examination?

For reasons that follow, we hold that an Examiner has the burden of making out a prima facie case of recapture. The Examiner can make out a prima facie case of recapture by establishing that the claims sought to be reissued fall within Substeps (1) or 3(a) of Clement.

For reasons that follow, we also hold that once a prima facie case of recapture is established, the burden of persuasion then shifts to the applicant to establish that the prosecution history of the application, which matured into the patent sought to be reissued, establishes that a surrender of subject matter did not occur.

As will become apparent, our rationale parallels the practice in determining whether subject matter is surrendered when a doctrine of equivalents analysis occurs in infringement cases.

(9)
Burden of proof analysis

Our analysis begins with an observation made by our appellate reviewing court in Hester, 142 F.3d at 1481-82, 46 USPQ2d at 1649:

[A]s recognized in Ball, the recapture rule is based on principles of equity⁴] and therefore embodies the notion of estoppel. 729 F.2d at 1439, 221 USPQ at 296. Indeed, the recapture rule is quite similar to prosecution history estoppel, which prevents the application of the doctrine of equivalents in a manner contrary to the patent's prosecution history. See Warner-Jenkinson Co. v. Hilton Davis Chem. Co., [520 U.S. 17, 33] 117 S. Ct. 1040, 1051[41 USPQ2d 1865, 1873] (1997). Like the recapture rule, prosecution history estoppel prevents a patentee from regaining subject matter surrendered during prosecution in support of patentability. See id.

Hester argues that an analogy cannot be made with prosecution history estoppel because the reissue procedure and prosecution history estoppel are the antithesis of one another--reissue allows an expansion of patent rights whereas prosecution history estoppel is limiting. However, Hester's argument is unpersuasive. The analogy is not to the broadening aspect of reissue. Rather, the analogy is with the recapture rule, which restricts the permissible range of expansion through reissue just as prosecution history estoppel restricts the permissible range of equivalents under the doctrine of equivalents.

⁴ The reissue statute has been characterized as being remedial in nature, based on fundamental principles of equity and fairness and should be construed liberally. In re Bennett, 766 F.2d 524, 528, 226 USPQ 413, 416 (Fed. Cir. 1985) (in banc); In re Willingham, 282 F.2d 353, 354-55, 127 USPQ 211, 214 (CCPA 1960). Nevertheless, fairness to the public must also be considered. As stated in Mentor, "the reissue statement cannot be construed in such a way that competitors, properly relying on prosecution history, become patent infringers when they do so." 998 F.2d at 996, 27 USPQ2d at 1525.

This court earlier concluded that prosecution history estoppel can arise by way of unmistakable assertions made to the Patent Office in support of patentability, just as it can arise by way of amendments to avoid prior art. See, e.g., Texas Instruments, Inc. v. International Trade Comm'n, 998 F.2d 1165, 1174, 26 USPQ2d 1018, 1025 (Fed. Cir. 1993).

See also Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 234 F.3d 558, 602, 56 USPQ2d 1865, 1899 (Fed. Cir. 2000) (Festo I), vacated and remanded, 535 U.S. 722, 122 S. Ct. 1831, 62 USPQ2d 1705 (2002) (Festo II)⁵ (Michel, J., concurring-in-part and dissenting-in-part):

[T]he law of prosecution history estoppel has developed with equal applicability to reissue patents and original patents whose claims were amended during prosecution. By at least 1879, the Supreme Court recognized that the process of obtaining a reissue patent precluded the patentee from recapturing that which he had disclaimed (i.e., surrendered), through the reissuance process.

⁵ The “Festo” convention used in this opinion is:

Festo I is the original in banc decision of the Federal Circuit.

Festo II is the decision of the Supreme Court.

Festo III is the decision of the Federal Circuit on remand.

(10)
Relevance of prosecution history

“Surrendered subject matter” is defined in connection with prosecution history estoppel in Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 535 U.S. 722, 733-34, 122 S. Ct. 1831, 1838, 62 USPQ2d 1705, 1710-11 (2002) (Festo II):

The doctrine of equivalents allows the patentee to claim those insubstantial alterations that were not captured in drafting the original patent claim but which could be created through trivial changes. When, however, the patentee originally claimed the subject matter alleged to infringe but then narrowed the claim in response to a rejection, he may not argue that the surrendered territory comprised unforeseen subject matter that should be deemed equivalent to the literal claims of the issued patent. On the contrary, “[b]y the amendment [the patentee] recognized and emphasized the difference between the two phrases[,] ... and [t]he difference which [the patentee] thus disclaimed must be regarded as material.” Exhibit Supply Co. v. Ace Patents Corp., 315 U.S. 126, 136-37, 62 S. Ct. 513, 518-19 [52 USPQ 275, 279-80] (1942).

Festo II goes on to comment, 535 U.S. at 737-41, 122 S. Ct. at 1840-42, 62 USPQ2d at 1712-14:

[Prosecution history estoppel’s] reach requires an examination of the subject matter surrendered by the narrowing amendment. [A] complete bar [would avoid] this inquiry by establishing a per se rule; but that approach is inconsistent with the purpose of applying the estoppel in the first place—to hold the inventor to the representations

made during the application process and to the inferences that may reasonably be drawn from the amendment (emphasis added).

A patentee's decision to narrow his claims through amendment may be presumed to be a general disclaimer of the territory between the original claim and the amended claim. Exhibit Supply, 315 U.S., at 136-137, 62 S. Ct. 513 ("By the amendment [the patentee] recognized and emphasized the difference between the two phrases and proclaimed his abandonment of all that is embraced in that difference"). There are some cases, however, where the amendment cannot reasonably be viewed as surrendering a particular equivalent. The equivalent may have been unforeseeable at the time of the application; the rationale underlying the amendment may bear no more than a tangential relation to the equivalent in question; or there may be some other reason suggesting that the patentee could not reasonably be expected to have described the insubstantial substitute in question. In those cases the patentee can overcome the presumption that prosecution history estoppel bars a finding of equivalence (emphasis added).

When the patentee has chosen to narrow a claim, courts may presume the amended text was composed with awareness of this rule and that the territory surrendered is not an equivalent of the territory claimed. In those instances, however, the patentee still might rebut the presumption that estoppel bars a claim of equivalence. The patentee must show that at the time of the amendment one skilled in the art could not reasonably be expected to have drafted a claim that would have literally encompassed the alleged equivalent (emphasis added).

The same policy considerations that prevent a patentee from urging equivalents within what the Supreme Court refers to as “surrendered territory” should prima facie prohibit the patentee from being able to claim subject matter within the surrendered territory in reissue. Accordingly, the “surrendered subject matter” that may not be recaptured through reissue should be presumed to include subject matter broader than the patent claims in a manner directly related to (1) limitations added to the claims by amendment (either by amending an existing claim or canceling a claim and replacing it with a new claim with that limitation) to overcome a patentability rejection and (2) limitations argued to overcome a patentability rejection without amendment of a claim. These presumptions are believed to place practical and workable burdens on examiners and applicants.

(11)

Admissible evidence in rebuttal showing

As in the case of surrender when applying the doctrine of equivalents, a reissue applicant should have an opportunity to rebut any prima facie case made by an examiner.

What evidence may an applicant rely on to rebut any prima facie case of recapture?

We hold that the admissible rebuttal evidence generally should be limited to (1) the prosecution history of the application which matured into the patent sought to be reissued and (2) showings related to what was known by a person having ordinary skill in the art at the time an amendment was made. Nevertheless, we cannot attempt to divine, at this time, all evidence that might be relevant. As with other issues that come before the USPTO, such as obviousness and enablement, the evidence to be presented will vary on a case-by-case basis, as will the analysis of that evidence.

“It is clear that in determining whether ‘surrender’ of subject matter has occurred, the proper inquiry is whether an objective observer viewing the prosecution history would conclude that the purpose of the patentee's amendment or argument was to overcome prior art and secure the patent.” Kim v. Conagra Foods, Inc., 465 F.3d 1312, 1323, 80 USPQ2d 1495, 1502 (Fed. Cir. 2006). Thus, we also hold that an applicant must show that at the time the amendment was made, an “objective observer” could not reasonably have viewed the subject matter broader than any narrowing amendment as having been surrendered. The showing required to be made by applicant is consistent with the public notice function of claims. Nevertheless, some limited extrinsic evidence may be relevant. However,

extrinsic evidence unavailable to an “objective observer” at the time of the amendment is not relevant to showing that an “objective observer” could not reasonably have viewed the subject matter as having been surrendered. Limiting the nature of the admissible evidence is believed to be consistent with the Federal Circuit’s decision on remand following Festo II. Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 344 F.3d 1359, 1367, 68 USPQ2d 1321, 1326 (Fed. Cir. 2003), cert. denied, 541 U.S. 988 (2004) (Festo III).

On remand, the Federal Circuit notes (Id. at 1367-70, 68 USPQ2d at 1326-29):

[W]e reinstate our earlier holding that a patentee’s rebuttal of the Warner-Jenkinson presumption is restricted to the evidence in the prosecution history record. Festo [I], 234 F.3d at 586 & n.6; see also Pioneer Magnetics, 330 F.3d at 1356 (stating that only the prosecution history record may be considered in determining whether a patentee has overcome the Warner-Jenkinson presumption, so as not to undermine the public notice function served by that record). If the patentee successfully establishes that the amendment was not for a reason of patentability, then prosecution history estoppel does not apply.

. . . By its very nature, objective unforeseeability depends on underlying factual issues relating to, for example, the state of the art and the understanding of a hypothetical person of ordinary skill in the art at the time of the amendment. Therefore, in determining whether an alleged equivalent would have been unforeseeable, a district court

may hear expert testimony and consider other extrinsic evidence relating to the relevant factual inquiries.

. . . As we have held in the Warner-Jenkinson context, that reason should be discernible from the prosecution history record, if the public notice function of a patent and its prosecution history is to have significance. See id. at 1356 (“Only the public record of the patent prosecution, the prosecution history, can be a basis for [the reason for the amendment to the claim]. Otherwise, the public notice function of the patent record would be undermined.”); Festo [I], 234 F.3d at 586 (“In order to give due deference to public notice considerations under the Warner-Jenkinson framework, a patent holder seeking to establish the reason for an amendment must base his arguments solely upon the public record of the patent’s prosecution, i.e., the patent’s prosecution history. To hold otherwise--that is, to allow a patent holder to rely on evidence not in the public record to establish a reason for an amendment--would undermine the public notice function of the patent record.”). Moreover, whether an amendment was merely tangential to an alleged equivalent necessarily requires focus on the context in which the amendment was made; hence the resort to the prosecution history. Thus, whether the patentee has established a merely tangential reason for a narrowing amendment is for the court to determine from the prosecution history record without the introduction of additional evidence, except, when necessary, testimony from those skilled in the art as to the interpretation of that record.

. . . When at all possible, determination of the third rebuttal criterion should also be limited to the prosecution history record. . . . We need not decide now what evidence outside the prosecution history record, if any, should be considered in determining if a patentee has met its burden under this third rebuttal criterion.

We interpret Festo III to generally, perhaps effectively, limit the admissible rebuttal evidence to the prosecution history record and extrinsic evidence related to

the knowledge of the hypothetical person of ordinary skill in the art at the time of the amendment. Admitting evidence not available to the public, such as an affidavit of an attorney giving mental impressions from the attorney who made the amendment, would undermine the public notice function of the patent and its prosecution history.

(12)

Non-relevance of “intervening rights”

We have not overlooked a possibility that an argument might be made that the so-called intervening rights provision relating to reissues makes jurisprudence on the doctrine of equivalents presumption inapplicable to reissue recapture rules. Our answer as to the argument is similar to the answer given by the Federal Circuit in Hester with respect to whether the doctrine of equivalents surrender principles have any applicability to reissue surrender principles. Hester squarely held that they do. Moreover, mixing “intervening rights” with “surrender” is like mixing apples with oranges or putting the cart before the horse. A patentee seeking a reissue claim which is barred by recapture is not entitled to a reissue patent under 35 U.S.C. § 251. If there is no reissue patent, there can be no intervening rights.

(13)
Public Notice

We believe that any recapture analysis must be bottomed principally on a “public notice” analysis which can occur only after a record becomes “fixed.” In the case of a patent, the “claims” and the “prosecution history” become fixed at the time the patent is issued--not during “fluid” patent prosecution where claims and arguments can change depending on the circumstances, e.g., prior art applied and amendments to claims. It is from a fixed perspective that the public (not the patentee) must make an analysis of what the patentee surrendered during prosecution. Moreover, an applicant (not the public) controls what amendments and arguments are presented during prosecution. When an amendment or argument is presented, it is the applicant that should be in the best position to analyze what subject matter (i.e., territory to use the Supreme Court’s language) is being surrendered.

2. The Examiner's prima facie case

(1)
Defective Reissue Declaration

Our finding of fact 51 sets out the basis upon which the Examiner made a 35 U.S.C. § 251 rejection based on a defective reissue declaration. As noted in Findings 52-54, the record supports in part the Examiner's findings.

The Examiner's accurate factual analysis demonstrates that the Examiner has made out a prima facie case of a defective reissue declaration.

(2)
Recapture of Surrendered Subject Matter

Our findings of fact 56-57 set out the basis upon which the Examiner made a recapture rejection. As noted in Finding 58, the record supports the Examiner's findings.

Basically, in the application which matured into the patent now sought to be reissued, the Examiner "rejected" originally filed claims 1-10. Why? Because, they were anticipated by or obvious over the prior art.

Applicants proceeded to re-write independent application claim 1 by limiting the retinoid compound to a specific percentage by weight of the total composition

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and by adding a limitation directed to the pH of the claimed composition.

Applicants also proceeded to add independent application claim 11. New claim 11 recited twenty-five (25) components of its claimed cosmetic composition and a specific % w/w of each component with twenty-four (24) of the twenty-five (25) recited components being specific chemical compounds.

In a telephonic interview that took place on January 20, 2000, the Examiner informed the attorney of record that the application was in condition for allowance subject to the cancellation of claims 1-10. The attorney of record authorized the Examiner to cancel claims 1-10 and amend claim 11 by Examiner's amendment in order to place the application in condition for allowance. Claim 11 then issued as patent claim 1.

The composition of the original application claims 1-10, rejected by the Examiner based on prior art, did not contain certain limitations which the Examiner refers to as "a specific composition with a particular concentration for each ingredient":

Appellants in the parent application canceled all the subject matter drawn to claims 1-10 of the parent application and the claim [11] that was allowed was to a specific composition with a particular concentration for each ingredient (Ex. Ans. Page 6).

As the Examiner notes, with respect to reissue application claims 2-19:

[C]laims 2-19 are of the same scope as cancelled claims 1-10 and the record of the application for the patent shows that the broadening aspect (in the reissue) relates to subject matter that applicant previously surrendered during the prosecution of the application in order to obtain allowance there of [sic](Ex. Ans. page 5).

That is, claims 2-19 fail to recite the limitations of “a specific composition with a particular concentration for each ingredient” which was added to the originally filed claims by amendment, i.e., the addition of claim 11 and cancellation of claims 1-10. Thus, because the limitations of “a specific composition with a particular concentration for each ingredient” are absent from the reissue claims being rejected and since those limitations are germane as to why the prior art did not reach claims containing these limitations, the Examiner has correctly placed the claims sought to be reissued within Substep (3)(a) of Step (3) of Clement.

The Examiner’s accurate factual analysis demonstrates that the Examiner has made out a prima facie case of recapture.

3. Applicants' response to the Examiner's case

(1) Defective Reissue Declaration argument

Applicants argue at page 5 of the Appeal Brief filed May 11, 2004 that
(matter in brackets added):

Attached are the [(1)] Reissue Application Declaration by the Assignee submitted May 30, 2002 (Exhibit A), [(2)] Reissue Application Declaration and Power of Attorney submitted April 16, 2003 (Exhibit B), and [(3)] Declaration of Andrea L. Colby submitted April 16, 2003 (Exhibit C), with the required language underlined. In the declarations, the Assignee states that the error was that patentee "claimed more or less than the patentee had a right to claim in the patent," (Exh. B, p. 3) and the "issued claim was narrower than Patentee had the right to claim . . . all errors corrected in the reissue arose without any deceptive intention on the part of the applicant." (Exh. A, p. 2) The Declaration of Andrea L Colby further describes the inadvertent error and the circumstances in which it occurred (Exh. C and *see infra*). Applicant believes that this satisfies the requirements and the rejection should be removed.

The ultimate point which we understand Applicants to be trying to make is that the three declarations (Appellants' Exhibits A, B, and C) are sufficient to meet the requirements of 35 U.S.C. § 251. We disagree.

At page 3 of the Examiner's Answer, the Examiner points to three defects in the reissue declaration. Appellants correctly point out that two of these are not

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defects, but we hold so for different reasons than set forth by Appellants.

According to the Examiner, the reissue declaration:

[D]oes not contain a statement that all errors which are being corrected in the reissue application up to the time of filing of the oath/declaration arose without any deceptive intention on the part of the applicant.

We find such a statement at page 3 of Exhibit B, rather than at page 2 of Exhibit A as pointed out by Appellants. We find this statement sufficient. According to the Examiner:

[T]here is no reference [in the reissue declaration] to the Declaration filed by Andrea L. Colby in the Reissue declaration or incorporate by reference of the [Colby Declaration].

We find no requirement in the statute or rules that the reissue declaration refer to or incorporate by reference other declarations that Appellants may have filed.

Applicants are free to file other declarations that are separate from the reissue declaration. Thus, we find no error. However, because the Colby declaration is a separate declaration, it does not serve to fulfill the requirements of the reissue declaration.

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Lastly, according to the Examiner, the reissue declaration:

fails to point out at least **one specific error** [in the patent sought to be reissued].

We agree. As the Examiner correctly pointed out in the Manual of Patent Examining Procedure (MPEP) provides guidance on this at section 1414 thereof, as follows:

The “at least one error ” which is relied upon to support the reissue application must be set forth in the oath/declaration.

...

In identifying the error, it is sufficient that the reissue oath/declaration identify a single word, phrase, or expression in the specification or in an original claim, and how it renders the original patent wholly or partly inoperative or invalid.

Thus, we agree with the Examiner that the “error” relied on by Appellants in the reissue declaration is only a conclusion or allegation of error and not a specific error.

(2) Reissue Recapture - First argument

Applicants argue at pages 6-8 of the Appeal Brief filed May 11, 2004 that (matter in brackets added):

[Applicants submit] as Exhibit C the Declaration of Andrea L. Colby.

Applicant[s] never intended to surrender the subject matter set forth in this reissue application.

It is apparent that [Applicants] never intended to surrender the subject matter in claims 1 to 10 of the '880 Application and always intended to file a continuation application with these claims. (Exh. C, ¶7) It was an inadvertent error, and not deceptive in any way, that a continuation application was not filed. (Exh. C, ¶8) [Applicants believe] that these circumstances overcome the rejection because [Applicants] never intended to abandon the pending subject matter and never intended not to file a continuation application.

Thus, Appellants assert the rejection is overcome. We disagree.

As discussed at Section C. 1. (11) **supra**, we hold that the admissible rebuttal evidence should be limited to (1) the prosecution history of the application which matured into the patent sought to be reissued and (2) showings related to what was known by a person having ordinary skill in the art at the time an amendment was made. Admitting evidence not available to the public, such as the declaration of Andrea L. Colby (counsel for applicants) giving mental impressions from the attorney who made the amendment, would undermine the public notice function of the patent and its prosecution history. Thus, we give no weight to the

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declaration of Andrea L. Colby in rebutting the Examiner's prima facie case of reissue recapture.

Appellants' first argument has not rebutted the presumption, upon which the Examiner's rejection is based, that at the time of the amendment one skilled in the art would reasonably have viewed the subject matter of the narrowing amendment as having been surrendered.

(3) Reissue Recapture - Second argument

Applicants argue at page 8 of the Appeal Brief filed May 11, 2004:

Reissue claim 9 is rejected by the Examiner as having "the same scope as parent claim 1 and has humectant." [Applicants] respectfully notes that the addition of a limitation, i.e. humectant, by definition changes the scope of reissue claim 9.

Thus, Appellants assert the rejection of claims 9-19 is overcome. We disagree.

Our findings of fact 56-57 set out the basis upon which the Examiner made a recapture rejection. As noted in Finding 58, the record supports the Examiner's findings. The section cited by Appellants does not stand alone, nor is it even the key language in the rejection. Rather, the key point is the following:

[T]he record of the application for the patent shows that the broadening aspect (in the reissue) relates to subject matter that applicant previously surrendered during the prosecution of the application in order to obtain allowance there of.

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This is a comparison of the allowed claim (Patent claim 1) to the Reissue claims. Appellants' reissue claim 9 is broader than Patent claim 1, in that reissue claim 9 reverts back to the same level of scope as original application claim 1 and fails to include any of the twenty-five (25) specific components of Patent claim 1 and includes none of the twenty-four (24) specific % w/w recited for the twenty-five (25) specific components. These twenty-five (25) specific components and twenty-four (24) specific % w/w were added to the subject matter of original application claim 1 (in the form of original application claim 11) to gain allowance of the patent. Appellants fail to explain the removal of any of these at least forty-nine (49) limitations from reissue claim 9 and thus fail to rebut the Examiner's prima facie case of reissue recapture.

Appellants' second argument has not rebutted the presumption, upon which the Examiner's rejection is based, that at the time of the amendment one skilled in the art would reasonably have viewed the subject matter of the narrowing amendment as having been surrendered.

(4) Other arguments

We have considered all other arguments made by Applicants in the Appeal Brief. None has convinced us that the Examiner erred in rejecting reissue claims 1-19 based on a defective reissue declaration and rejecting reissue claims 2-19 based on recapture.

D. Decision

Upon consideration of the record, and for the reasons given, the decision of the Examiner rejecting reissue claims 1-19 based on a defective reissue declaration is affirmed, and the decision of the Examiner rejecting reissue claims 2-19 based on recapture is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a)(1)(iv).

AFFIRMED

JERRY SMITH
Administrative Patent Judge

ALLEN R. MacDONALD
Administrative Patent Judge

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GARRIS, Administrative Patent Judge, concurring-in-result.

I write separately to express disagreement with the opinion of the majority concerning the Examiner's rejection of claims 2-19 as being unpatentable under 35 U.S.C. § 251 based on recapture. While I agree with the majority's ultimate determination that this rejection should be affirmed, my reasons for affirmance differ completely from those of the majority.

In essence, the majority's affirmance is based on the proposition that it is no longer proper under any circumstances to define surrendered subject matter appertaining to the recapture rule in terms of a claim which has been canceled or amended in order to avoid a rejection. Instead, it is the majority's view that surrendered subject matter must now be defined under all circumstances as including any claim which lacks a limitation added or argued by an Applicant in order to avoid a rejection. As defined by the majority, surrendered subject matter is "the subject matter of an application claim which was amended or canceled and, on a limitation-by-limitation basis, the territory falling between the scope of (a) the

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application claim which was canceled or amended and (b) the patent claim which was ultimately issued” (Opinion, page 21).

The majority’s position regarding surrendered subject matter is erroneous.

Our binding precedent includes numerous decisions which define surrendered subject matter in terms of a claim that had been canceled or amended to avoid a rejection. For example, see In re Clement, 131 F.3d 1464, 45 USPQ2d 1161 (Fed. Cir. 1997); Ball Corp. v. United States, 729 F.2d 1429, 221 USPQ 289 (Fed. Cir. 1989); In re Richman, 409 F.2d 269, 161 USPQ 359 (CCPA 1969); In re Byers, 230 F.2d 451, 109 USPQ 53 (CCPA 1956); In re Wadsworth, 27 CCPA 735, 107 F.2d 596, 43 USPQ 460 (CCPA 1939). The majority has contradicted this binding precedent in taking the position that such a definition is no longer proper under any circumstances.

I acknowledge that the majority’s definition of surrendered subject matter would be proper under appropriate factual circumstances. See Hester Indus. v. Stein, Inc., 142 F.3d 1472, 46 USPQ2d 1641 (Fed. Cir. 1998). However, the majority has erred in contending that such a definition is proper under all circumstances. Indeed, such an inflexible definition is not only contrary to binding

precedent of our past and present reviewing courts but also is potentially contrary to a reissue Applicant's right under 35 U.S.C. § 251 to enlarged claim scope.

For these reasons, I disagree with the majority's definition of surrendered subject matter and concomitantly with the analysis based thereon. Nevertheless, for the reasons which follow, I agree with the majority's determination that we should sustain the Examiner's Section 251 rejection based on recapture.

Application of the recapture rule is a three-step process. The first step is to determine whether and in what aspect the reissue claims are broader than the patent claims. The second step is to determine whether the broader aspects of the reissue claims relate to surrendered subject matter. The third step is to determine whether the reissue claims are materially narrowed in other respects to avoid the recapture rule. Pannu v. Storz Instruments, Inc., 258 F.3d 1366, 1371, 59 USPQ2d 1597, 1600 (Fed. Cir. 2001). Also see Hester Indus., 142 F.3d at 1482-83, 46 USPQ2d at 1649-50; Clement, 131 F.3d at 1468-69, 45 USPQ2d at 1164.

Concerning the first step, for the reasons detailed in the majority's Opinion and the Examiner's Answer, the argued reissue claims on appeal (i.e., claims 2 and 9) are unquestionably broader in scope than patent claim 1 with respect to compositional ingredients and amounts.

As for the second step, these broader aspects of the reissue claims clearly relate to surrendered subject matter. In this latter regard, I define surrendered subject matter as subject matter involved with the deliberate cancellation or amendment of a claim in an effort to overcome a prior art rejection since this deliberate action suggests that an applicant admits that the scope of the claim prior to cancellation or amendment is unpatentable. See Clement, 131 F.3d at 1468-69, 45 USPQ2d at 1164. Here, it is uncontested that original application claims 1-10 were amended in an effort to overcome a prior art rejection and that the amended claims ultimately were canceled in order to obtain the patent for which Appellants seek reissue. Because original application claims 1, 2, and 10 were first amended and then canceled, it is appropriate to consider the subject matter defined by these claims as surrendered. Importantly, argued reissue claim 2 is actually broader than original application claim 1/2/10 since the former, unlike the latter, does not contain the limitation “said composition being substantially free of irritating compounds” (original application claim 1). Relative to original application claim 1, argued reissue claim 9 is of equal scope in all aspects except that it contains the additional limitation “humectant” which will be discussed in detail infra.

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Under these circumstances, the record of this appeal amply supports a determination that the Appellants surrendered the subject matter defined by the amended and ultimately canceled original application claims 1-10 and that this surrendered subject matter has crept into the reissue claims under consideration. See Clement, 131 F.3d at 1469, 45 USPQ at 1164.

In support of their non-recapture position, the Appellants argue that “Applicant never intended to surrender the subject matter in claims 1 to 10 of the ‘880 Application and always intended to file a continuation application with these claims” (Brief, page 7). However, this unfulfilled intent does not negative the subjective inference of surrender created by the Appellants’ deliberate amendment and cancellation of the original application claims 1-10. Indeed, it is well settled that the intentional omission of subject matter from an original application combined with the plan to claim it in a subsequent application does not constitute “error” under 35 U.S.C. § 251. In re Mead, 581 F.2d 251, 256-57, 198 USPQ 412, 417-18 (CCPA 1978). Compare In re Watkinson, 900 F.2d 230, 231-32, 14 USPQ2d 1407, 1409-10 (Fed. Cir. 1990); In re Orita, 550 F.2d 1277, 1280-81, 193 USPQ 145, 149 (CCPA 1977).

The third and final step in applying the recapture rule is to determine whether the reissue claims are materially narrowed in other respects so as to thereby avoid the recapture rule. Argued reissue claim 2 is not narrowed in any respect relative to original application claims 1-10. As properly indicated by both the Appellants and the Examiner, argued reissue claim 9 is more narrow than the original application claims by virtue of the requirement that the claimed composition include a “humectant.” However, I do not perceive this “humectant” limitation as a narrowing which is material, and the Appellants do not even allege that it is material.

In light of the foregoing, I reach the same ultimate determination as the majority, albeit for different reasons, that the Examiner’s Section 251 rejection of reissue claims 2-19 based on recapture should be sustained.

BRADLEY R. GARRIS)
Administrative Patent Judge) BOARD OF PATENT
APPEALS AND

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) INTERFERENCES
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Appendix 1

Claims of original application, as filed
(bold and spacing added)

1. A cosmetic composition comprising:
 - (a) a retinoid compound;
 - (b) an oil-soluble antioxidant;
 - (c) a compound selected from the group consisting of emulsifiers or surfactants,said composition being substantially free of irritating compounds.
2. A cosmetic composition according to **claim 1** wherein said composition further comprises a branched-chain fatty alcohol ester.
3. A cosmetic composition according to **claim 2** wherein said retinoid compound is selected from the group consisting of
retinoic acid,
retinol,
retinaldehyde
and
esters of retinoic acid.
4. A cosmetic composition according to **claim 2** wherein said oil-soluble antioxidant is selected from the group consisting of
butylated hydroxytoluene (BHT),

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ascorbyl palmitate,
butylated hydroxyanisole (BHA),
a-tocopherol,
phenyl-a-naphthylamine,
hydroquinone,
propyl gallate,
nordihydroguaiaretic acid,
and
mixtures thereof.

5. A cosmetic composition according to **claim 1** wherein said irritating compounds are selected from the group consisting of:
 - butylene glycol,
 - soaps,
 - amine-based compounds,
 - surfactants,
 - sunscreen active ingredients,
 - low-pH acids
 - and
 - high-pH bases.
6. A cosmetic composition according to **claim 5** wherein said irritating compound is
 - butylene glycol.
7. A cosmetic composition according to **claim 4** wherein said oil-soluble antioxidant is
 - butylated hydroxytoluene.
8. A cosmetic composition according to **claim 3** wherein said retinoid is
 - retinol.
9. A cosmetic composition according to **claim 1** wherein said composition further comprises
 - a chelating agent.
10. A cosmetic composition according to **claim 2** wherein said branched-chain fatty alcohol ester is
 - octyl hydroxyl stearate.

Appendix 2

Claims after presentation of amendment
in original application (**bold** and spacing added)
(matter in [brackets and ~~strikeout~~] deleted by the amendment
matter underlined added by the amendment)

1. A cosmetic composition comprising:
 - (a) from about 0.001 to about 1% by weight of the total composition of a retinoid compound;
 - (b) an oil-soluble antioxidant;
 - (c) a compound selected from the group consisting of emulsifiers or surfactants,said composition being substantially free of irritating compounds, where said composition has a pH from about 4 to about 7.
2. A cosmetic composition according to **claim 1** wherein said composition further comprises
a branched-chain fatty alcohol ester.
3. A cosmetic composition according to **claim 2** wherein said retinoid compound is selected from the group consisting of
retinoic acid,
retinol,
retinaldehyde
and
esters of retinoic acid.
4. A cosmetic composition according to **claim 2** wherein said oil-soluble antioxidant is selected from the group consisting of
butylated hydroxytoluene (BHT),
ascorbyl palmitate,
butylated hydroxyanisole (BHA),
a-tocopherol,
phenyl-a-naphthylamine,
hydroquinone,

propyl gallate,
nordihydroguiaretic acid,
and
mixtures thereof.

5. A cosmetic composition according to **claim 1** wherein said irritating compounds are selected from the group consisting of:
butyylene glycol,
soaps,
amine-based compounds,
[surfactants,]
sunscreen active ingredients,
low-pH acids
and
high-pH bases.
6. A cosmetic composition according to **claim 5** wherein said irritating compound is
butyylene glycol.
7. A cosmetic composition according to **claim 4** wherein said oil-soluble antioxidant is
butylated hydroxytoluene.
8. A cosmetic composition according to **claim 3** wherein said retinoid is
retinol.
9. A cosmetic composition according to **claim 1** wherein said composition further comprises
a chelating agent.
10. A cosmetic composition according to **claim 2** wherein said branched-chain fatty alcohol ester is
octyl hydroxyl stearate.

11. A cosmetic composition comprising:

octyl hydroxysterate	6.1355% w/w,
glyceryl disterate	2.8000% w/w,
cholesterol	1.0000% w/w
POE 10 stearyl alcohol	1.4000% w/w,
Ceteareth 20 & stearyl alcohol	3.0000% w/w,
Ceteareth 20 & cetearyl alcohol	3.0000% w/w,
Stearyl alcohol	0.5000% w/w,
Cetyl acetate & acetylated lanolin	1.0000% w/w,
C12-C15 alcohols lactate	1.5000% w/w,
Retinol (50% w/w in polysorbate 20)	0.2645% w/w,
BHT	0.1000% w/w,
Citric acid anhydrous	0.0300% w/w,
trisodium citrate dihydrate	1.0330% w/w,
ascorbic acid	0.0100% w/w,
glycerin	4.0000% w/w,
polysorbate 80	0.7000% w/w,
disodium EDTA	0.2000% w/w,
phenoxyethanol	0.7300% w/w,
methyl paraben	0.2500% w/w,
propyl paraben	0.1500% w/w,
dimethicone, 100 cst	2.5000% w/w,
polyacrylamide, C13-C14	2.5000% w/w,
isoparaffin & laureth-7	
fragrance	0.5000% w/w,
and	
water	69.1970% w/w.

Appendix 3

Amended claim 11 after the Examiner's amendment
(matter underlined added by the amendment)

11. A cosmetic composition comprising:

octyl hydroxysterate	6.1355% w/w,
glyceryl disterate	2.8000% w/w,
cholesterol	1.0000% w/w
POE 10 stearyl alcohol	1.4000% w/w,
Ceteareth 20 & stearyl alcohol	3.0000% w/w,
Ceteareth 20 & cetearyl alcohol	3.0000% w/w,
Stearyl alcohol	0.5000% w/w,
Cetyl acetate & acetylated lanolin	1.0000% w/w,
C12-C15 alcohols lactate	1.5000% w/w,
Retinol (50% w/w in polysorbate 20)	0.2645% w/w,
BHT	0.1000% w/w,
Citric acid anhydrous	0.0300% w/w,
trisodium citrate dihydrate	1.0330% w/w,
ascorbic acid	0.0100% w/w,
glycerin	4.0000% w/w,
polysorbate 80	0.7000% w/w,
disodium EDTA	0.2000% w/w,
phenoxyethanol	0.7300% w/w,
methyl paraben	0.2500% w/w,
propyl paraben	0.1500% w/w,
dimethicone, 100 cst	2.5000% w/w,
polyacrylamide, C13-C14	<u>0.5000%</u> w/w,
isoparaffin & laureth-7	
fragrance	0.5000% w/w,
and	
water	69.1970% w/w.

Appendix 4

The sole claim as it appears in U.S. Patent 6,068,847

1. A cosmetic composition comprising:

octyl hydroxysterate	6.1355% w/w,
glyceryl disterate	2.8000% w/w,
cholesterol	1.0000% w/w
POE 10 stearyl alcohol	1.4000% w/w,
Ceteareth 20 & stearyl alcohol	3.0000% w/w,
Ceteareth 20 & cetearyl alcohol	3.0000% w/w,
Stearyl alcohol	0.5000% w/w,
Cetyl acetate & acetylated lanolin	1.0000% w/w,
C12-C15 alcohols lactate	1.5000% w/w,
Retinol (50% w/w in polysorbate 20)	0.2645% w/w,
BHT	0.1000% w/w,
Citric acid anhydrous	0.0300% w/w,
trisodium citrate dihydrate	1.0330% w/w,
ascorbic acid	0.0100% w/w,
glycerin	4.0000% w/w,
polysorbate 80	0.7000% w/w,
disodium EDTA	0.2000% w/w,
phenoxyethanol	0.7300% w/w,
methyl paraben	0.2500% w/w,
propyl paraben	0.1500% w/w,
dimethicone, 100 cst	2.5000% w/w,
polyacrylamide, C13-C14	0.0500% w/w,
isoparaffin & laureth-7	0.5000% w/w,
fragrance	
and	
water	69.1970% w/w.

Appendix 5
Claims 1-19 on appeal
(bold and spacing added)

1. A cosmetic composition comprising:

octyl hydroxysterate	6.1355% w/w,
glyceryl disterate	2.8000% w/w,
cholesterol	1.0000% w/w
POE 10 stearyl alcohol	1.4000% w/w,
Ceteareth 20 & stearyl alcohol	3.0000% w/w,
Ceteareth 20 & cetearyl alcohol	3.0000% w/w,
Stearyl alcohol	0.5000% w/w,
Cetyl acetate & acetylated lanolin	1.0000% w/w,
C12-C15 alcohols lactate	1.5000% w/w,
Retinol (50% w/w in polysorbate 20)	0.2645% w/w,
BHT	0.1000% w/w,
Citric acid anhydrous	0.0300% w/w,
trisodium citrate dihydrate	1.0330% w/w,
ascorbic acid	0.0100% w/w,
glycerin	4.0000% w/w,
polysorbate 80	0.7000% w/w,
disodium EDTA	0.2000% w/w,
phenoxyethanol	0.7300% w/w,
methyl paraben	0.2500% w/w,
propyl paraben	0.1500% w/w,
dimethicone, 100 cst	2.5000% w/w,
polyacrylamide, C13-C14	0.0500% w/w,
isoparaffin & laureth-7	0.5000% w/w,
fragrance	
and	
water	69.1970% w/w.

2. A cosmetic composition comprising:
 - (a) a retinoid compound;
 - (b) an oil soluble antioxidant;
 - (c) a compound selected from the group consisting of emulsifiers or surfactants; and
 - (d) octyl hydroxystearate.

3. The composition according to **claim 2** wherein said retinoid compound comprises
retinol.

4. The composition according to **claim 2** wherein said composition is substantially free of irritating compounds; said irritating compounds are selected from the group consisting of:
butylene glycol,
soaps,
amine-based compounds,
sunscreen active ingredients,
low-pH acids
and
high-pH bases.

5. The composition according to **claim 2** wherein is said composition is substantially free of
butylene glycol.

6. The composition according to **claim 2** wherein said oil soluble antioxidant comprises
butylated hydroxytoluene.

7. The composition according to **claim 2** wherein said composition further comprises
a chelating agent.

8. A cosmetic composition comprising:
 - (a) retinol;
 - (b) an oil soluble antioxidant;
 - (c) a compound selected from the group consisting of emulsifiers or surfactants; and
 - (d) a branched-chain fatty alcohol ester.

9. A cosmetic composition comprising:
 - (a) a retinoid compound;
 - (b) an oil-soluble antioxidant;
 - (c) a compound selected from the group consisting of emulsifiers or surfactants, and
 - (d) a humectant,said composition being substantially free of irritating compounds.

10. The composition according to **claim 9** wherein said composition further comprises
a branched-chain fatty alcohol ester.

11. The composition according to **claim 10** wherein said branched-chain fatty alcohol ester is
octyl hydroxylstearate.

12. The composition according to **claim 9** wherein said retinoid compound is selected from the group consisting of
retinoic acid,
retinol,
retinaldehyde
and
esters of retinoic acid.

13. The composition according to **claim 9** wherein said oil-soluble antioxidant is selected from the group consisting of
butylated hydroxytoluene (BHT),
ascorbyl palmitate,
butylated hydroxyanisole (BHA),
a-tocopherol,
phenyl-a-naphthylamine,
hydroquinone,
propyl gallate,
nordihydroguaiaretic acid,
and
mixtures thereof.
14. The composition according to **claim 9** wherein said irritating compounds are selected from the group consisting of:
butylene glycol,
soaps,
amine-based compounds,
sunscreen active ingredients,
low-pH acids
and
high-pH bases.
15. The composition according to **claim 9** wherein said irritating compound comprises
butylene glycol.
16. The composition according to **claim 9** wherein said oil-soluble antioxidant comprises
butylated hydroxytoluene.
17. The composition according to **claim 9** wherein said retinoid comprises
retinol.

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18. The composition according to **claim 9** wherein said composition further comprises
a chelating agent.

19. The composition according to **claim 9** wherein said humectant comprises
glycerin.

Appendix 6

Example 11 from the originally filed application 08/940,880

Octyl hydroxysterate	6.1355% w/w,
Glyceryl disterate	2.8000% w/w,
Cholesterol	1.0000% w/w
POE 10 stearyl alcohol	1.4000% w/w,
Ceteareth 20 & stearyl alcohol	3.0000% w/w,
Ceteareth 20 & cetearyl alcohol	3.0000% w/w,
Stearyl alcohol	0.5000% w/w,
Cetyl acetate & acetylated lanolin	1.0000% w/w,
C12-C15 alcohols lactate	1.5000% w/w,
Retinol (50% w/w in polysorbate 20)	0.2645% w/w,
BHT	0.1000% w/w,
Citric acid anhydrous	0.0300% w/w,
Trisodium citrate dihydrate	1.0330% w/w,
Ascorbic acid	0.0100% w/w,
Glycerin	4.0000% w/w,
Polysorbate 80	0.7000% w/w,
Disodium EDTA	0.2000% w/w,
Phenoxyethanol	0.7300% w/w,
Methyl paraben	0.2500% w/w,
Propyl paraben	0.1500% w/w,
Dimethicone, 100 cst	2.5000% w/w,
Polyacrylamide, C13-14 Isoparaffin and Laureth-7	0.5000% w/w,
Fragrance	0.0500% w/w,
Water	69.1970% w/w.

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