

SPECK v. BATES, Appeal No. 2023-1147 (Fed. Cir. May 23, 2024). Before Dyk, Bryson, and Stoll. Appealed from PTAB.

Background:

Days before the pre-AIA 35 U.S.C. § 135(b)(1) bar date, Bates filed a patent application and then filed a preliminary amendment to "include claims for the same or substantially the same subject matter" as the claims of the Speck patent. Bates later amended the claims in response to an Office Action after the § 135(b)(1) bar date. The PTAB then declared an interference under the long-standing exception to § 135(b)(1) because the claims were "substantially the same" before the bar date.

Speck argued that an interference is barred because Bates amended the claims after the § 135(b)(1) bar date and that this amendment materially altered the claims. In their argument, Speck asserted that the pre-bar date claims "excluded all containment material" while the post-bar date claims "only excluded containment material atop the drug layer." Thus, Speck argued that by this amendment, the claims were broader and no longer "the same or substantially the same." The PTAB held that the claims were not barred because under a one-way test, the limitations of the later amended claims were present in the earlier filed claims. Speck appealed.

Issue/Holding:

Did the PTAB err in holding that the claims of the Bates application were not time barred under pre-AIA 35 U.S.C. § 135(b)(1)? Yes, reversed and remanded.

Discussion:

The Federal Circuit held that the one-way test applied by the PTAB is the wrong legal standard. In the one-way test, the PTAB only determined whether the post-bar date claims of Bates were narrower than its pre-bar date claims, not whether they are broader. The Federal Circuit held that the proper test is a two-way test which determines if either set contains material limitations not found in the other. The Federal Circuit rationalized that this two-way test is proper because applying the one-way test would undermine the requirement of a lack of material difference in the claims. Here, under the two-way test, the pre-bar date claims and the post-bar date claims differed with respect to the newly added limitation of "free of a containment material atop the drug layer."

The Federal Circuit noted that this limitation was added in response to an Office Action to overcome a rejection. In such a scenario, there is a well-established presumption that the added limitation is necessary to patentability and thus material. Further, the court pointed to another interference proceeding for a patent in the same family, in which Bates argued that the "lack of a containment material" as recited in the pre-bar date claims is a novel characteristic. However, the post-bar date claims of the application at issue would allow for some containment material, just not "atop the drug layer." Thus, the Federal Circuit held that the prosecution history demonstrated the difference in the claims was material, and the claims are, thus, time-barred.

Although this decision is based on pre-AIA interference proceedings, a similar one year bar date is found in the statute for post-AIA derivation proceedings.