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Legal Update

Quantum Corp v. Rodime PLC^{†*}

1. *Introduction*

In a declaratory judgment action brought by a manufacturer of computer disk-drives, the Court of Appeals for the Federal Circuit ("Federal Circuit") held on September 22, 1995 that the patentee had impermissibly broadened a claim during reexamination of its patent for a micro hard disk-drive system by claiming a track density of "at least approximately 600 tpi," rather than the "at least 600 tpi" track-density limitation contained in the original patent. More significantly, however, the Federal Circuit further held that the patentee's impermissible broadening of the patent claim during reexamination rendered the entire original claim invalid. [1]

2. *Background of the Invention & Relevant Parties*

Rodime, PLC ("Rodime"), a Scottish manufacturer of computer disk-drives, is the owner of reexamined patent B1 4,638,383 ("B1 '383"). The United States Patent and Trademark Office ("PTO") issued B1 '383 to Rodime on November 29, 1988, based on the original patent 4,638,383 ("383 parent")¹ which was assigned to Rodime. The '383 patent is directed to a micro hard disk-drive system, the 3.5-inch disk-drive commonly used in laptop computers. The technology at issue relates to the storage capability of the hard disk-drive, namely, the track density of the hard

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* 36 U.S.P.Q.2d (BNA) 1162 (Fed. Cir. 1995).

¹ In the context of multiple, sequential patents such as this, the first filed patent is usually called the "parent." Generally, subsequently filed patent applications rely upon the "parent" patent application's filing date for its filing date. In this case, the reexamined patent B1 '383 relied upon the filing date of its parent, the '383 patent.

disk that determines the amount of data capable of being stored in a given disk area. Track density can be defined in terms of tracks per inch ("tpi"), or, the number of concentric tracks within an inch along the radius of the hard-disk. [2]

Quantum Corporation ("Quantum"), an American computer disk-drive manufacturer, requested the court to declare Rodime's B1 '383 patent invalid and unenforceable, and further to declare Quantum's nonliability for patent infringement. The district court granted Quantum's motion for partial summary judgment. [3]

3. *Prosecution History*

Claim 1 of the '383 parent patent application recited a track density of "approximately 600" tpi. In rejecting all the recited claims as obvious under 35 U.S.C. section 103, the patent examiner stated that such a track density in the claimed 3.5-inch disk-drive was covered as obvious based on the 5.25-inch disks. Specifically, the examiner reasoned that a track density of "approximately 600 tpi" could be achieved on the claimed 3.5-inch disk in the same manner by which it was achieved on the common 5.25-inch disk, and therefore not patentable. In response, the applicants replaced their original claims with new claims, some of which recited a track density of "at least 600" tpi. The examiner subsequently allowed the new claims, resulting in the issuance of the '383 parent patent. [4]

Eight months after the '383 parent patent was issued, Rodime requested that the patent be reexamined. During the reexamination procedure,² Rodime modified those claims in the patent that read "at least 600" tpi to "at least approximately 600" tpi. The examiner allowed this change and issued the reexamined patent B1 '383. [5]

4. *District Court Analysis*

On Quantum's motion for summary judgment, the United States District Court for the District of Minnesota invalidated Rodime's reexamined patent under the rationale of impermissible broadening of the claims during reexamination.³

² During the life of a patent anyone can institute a reexamination proceeding. 37 C.F.R. § 1.510 (1994). Only the patentee, however, may file a reissue application requesting the PTO to redetermine the scope of the patent already issued. A reissue application may be filed during the first two years of the patent's period of enforceability, and the claims in already-issued patents may be broadened during this two-year period only when certain requirements are met. 37 C.F.R. § 1.176 (1994). Finally, during a reexamination proceeding the breadth of a patent cannot be enlarged. 35 U.S.C. § 305 (1988).

³ The standard for finding impermissible broadening of patent claims is provided in the recent Federal Circuit decision, *In re Freeman*, 30 F.3d 1459, 31 U.S.P.Q.2d (BNA) 1444 (Fed. Cir. 1994). An amended or new claim has been enlarged if its scope includes any subject matter that would not have infringed the original patent. The Federal Court further stated in *In re Freeman* that a claim that is

The court found that the addition during reexamination of the word "approximately" to the hard-disk track-density limitation expanded the scope of the claim in violation of 35 U.S.C. section 305,⁴ which governs the conduct of reexamination proceedings at the PTO. The District Court interpreted the language "at least" in the pre-reexamination claims to mean "not less than," and determined that the addition of the language "approximately" to the claim undermined the lower limit established by the words "at least", thereby including hard disks with track densities of fewer than 600 tpi. The court concluded that the claims were thus impermissibly broadened during reexamination, and therefore invalid. [6]

5. *Federal Circuit Analysis*

Writing for the Federal Circuit, Judge Plager identified the two issues on appeal as one, whether Rodime had broadened the scope of the claims during reexamination in violation of 35 U.S.C. section 305 by changing the claim language that set forth the track density limitation, and two, what would be the legal impact of violating 35 U.S.C. section 305 if it were found that the claims were impermissibly broadened during reexamination. [7]

Addressing the first issue, the court stated that amended or new claims would be found impermissibly broadened in violation of 35 U.S.C. section 305 if the amended or new language of the claim encompassed a broader subject matter than that of the original claim. In interpreting the language of the claim itself, the Federal Circuit deferred to the district court's finding that the plain meaning of the language "at least", followed by a number such as "600 tpi", translated into "at least 600 tpi." The court further affirmed the district court's conclusion that the term "at least approximately 600 tpi" defined an open-ended range starting slightly below 600. Consequently, after having decided that the pre-reexamination claim language of "at least 600 tpi" did not encompass track densities below 600 tpi, the Federal Circuit concluded that the reexamined claim language of "at least approximately 600 tpi" included subject matter not initially covered by the original claim. Because the claim language "at least approximately 600 tpi" defined an open-ended range starting slightly below 600 tpi, and because the original claim language "at least 600 tpi" defined an open-ended range starting at 600 tpi, the court determined that the claim amended during the reexamination procedure necessarily broadened the scope of the claimed subject matter. [8]

broadened in "any respects" is viewed to be broader than the original claims even if other aspects of the claim may be narrower.

⁴ 35 U.S.C. § 305 states in part that "[n]o proposed amended or new claim enlarging the scope of a claim of the patent will be permitted in a reexamination proceeding." 35 U.S.C. § 305 (1988).

In addition to the dictionary interpretation of the claim language which the Federal Circuit found determinative in this case, the court also found compelling that Rodime initially amended the claim language from "approximately 600 tpi" to "at least 600 tpi" during the initial prosecution of the patent in compliance with the patent examiner's office action. The court reasoned that such a change evidenced a change in the meaning of the claim's language, rather than mere clarification of the claim's scope, as argued by Rodime. [9]

The Federal Circuit was faced with a more difficult analysis with respect to the second issue, which required the court to determine the effect of impermissible claim broadening during reexamination on the patent's validity as a whole. The court noted that section 305 of the United States Patent Code ("Patent Code") was silent on the consequence of finding a prohibited claim-broadening during reexamination. The court turned to the statutory defense in section 282 of the Patent Code,⁵ which afforded an invalidity defense for failure to comply with the code's reissue provision.⁶ The court opted, however, not to transplant this case into the context of patent reissue procedure since the reissue statute explicitly provides a patent invalidity defense, whereas the statute is silent as to the patent's validity in the context of reexamination. Furthermore, the court found no precedent that would provide sufficient guidance in this context. Nevertheless, despite this lack of statutory authority and clear precedent, the court determined, by analyzing the purpose behind the reexamination statute, that patent claims impermissibly broadened during reexamination procedures should be invalidated. Stating that the proper way to broaden a patent was to file a reissue application, the court stated that reexamination proceedings could not be used to satiate the patent applicant's desire to claim the subject matter more broadly than as originally issued. [10]

The Federal Circuit also found that a remand by the district court to the PTO ordering the amended broadening claim language deleted would further undesirable patent policy. Specifically, such a remand to the PTO would encourage noncompliance with the patent reexamination statute would provide patent applicants with an incentive to attempt to broaden their claims during reexamination (especially as the only penalty for such a strategy would be narrowing the claims back to the original, pre-reexamination scope of subject matter coverage). The court reasoned that if instead improperly broadened claims were held invalid, this would discourage patent applicants from attempting to unjustifiably broaden their claims during reexamination. [11]

⁵ The Patent Code provides numerous defenses in actions involving patent validity or infringement, including a defense of "[i]nvalidity of the patent or any claim in suit for failure to comply with [the reissue section]." 35 U.S.C. § 282 (1988).

⁶ The reissue portion of the patent statute states in part that "[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." 35 U.S.C. § 251 (1988).

6. *Comments*

The risk of having a entire patent invalidated should be sufficient to deter patentees and inventors from attempting to juggle the patent statute and from pushing it to its maximum elasticity, whereas a mere risk of remand to the PTO for retraction of the patent claim scope back to its original breadth will undoubtedly encourage patent applicants requesting reexamination to foster an "I have nothing to lose" attitude. As correctly noted in the Federal Circuit's opinion, under certain conditions a patent holder may file for a reissue application during the first two years of patent enforceability to broaden the scope of the patent. As the patent statute provides patentees with the means and mechanisms through reissue applications to correct good-faith errors in the scope of the issued patent, the Federal Circuit's decision to invalidate patent claims for impermissible claim broadening during reexamination proceedings is neither unfair nor unnecessarily harsh. Rather, this decision implements effectively a policy of curbing the potential abuse of patent statutes. [12]

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