THINK FORWARD

Claim Amendments During Reexamination Do Not Vacate Prior District Court Unpatentability Decision of Original Claims

In *Cardpool, Inc. v. Plastic Jungle, Inc*, the Federal Circuit affirmed the district court's denial of vacatur even though the claims subject to the prior dismissal had been changed during a subsequent reexamination.

Cardpool had sued Plastic Jungle for patent infringement in the District Court for the Northern District of California. Among Plastic Jungle's defenses was that the claimed subject matter is patent-ineligible under 35 U.S.C. § 101. The district court agreed and granted Plastic Jungle's motion to dismiss for failure to state a claim under Rule 12(b)(6) of the Federal Rules of Civil Procedure. Cardpool appealed to the Federal Circuit.

But before that appeal was decided, Cardpool filed a request for *ex parte* reexamination in which it presented both amended and new claims. Before completion of the reexamination, the Federal Circuit affirmed the district court's judgment of patent ineligibility under § 101. Shortly thereafter, the UPSTO issued a reexamination certificate holding patentable amended claims 1, 2-7, and 9-11, and new claims 12-52.

Cardpool then filed a petition for rehearing of the Federal Court's decision, asking the court to vacate its affirmance of the district court's § 101 decision because the claims subject to that decision no longer existed. The Federal Circuit declined to vacate the prior decision, but granted rehearing, vacated its affirmance of the § 101 decision, and remanded to the district court "to determine what actions, if any, are appropriate in light of the reexamined claims."

On remand, Cardpool and Plastic Jungle moved to vacate the district court's prior judgment so that the parties could move for a voluntary dismissal without prejudice. Cardpool expressed its concern that the prior district court decision as to the original claims could act as res judicata against the new claims that emerged from reexamination, and that Cardpool may lose the right to file a new case against Plastic Jungle at a later time, if it deemed necessary, asserting the reexamined claims.

The district court declined the requested vacatur because the prior § 101 decision was concerned with the old claims, while no court had reviewed the reexamined claims. The district court stated that "[j]ust because a PTO examiner allowed the amended claims does not mean the reexamination certificate can displace a district court judgment following a contested motion to dismiss . . . . The judgment (and order) are part of the history of the asserted patent and cannot be removed by some joint request for vacatur."

Cardpool again appealed. The Federal Circuit affirmed, noting the Supreme Court's direction that "vacatur must be decreed for those judgments whose review is . . . 'prevented through happenstance'-that is to say, where a controversy presented for review has 'become moot due to circumstances unattributable to any of the parties.'" *U.S. Bancorp Mortg. Co. v. Bonner Mall P'ship,* 513 U.S. 18, 23 (1994) (internal citations omitted). "The district court violated no legal right," the Federal Circuit found,

"in preserving its original decision, which is limited to the claims and grounds that existed."

The court continued, quoting its prior *Aspex* decision: "[i]f the claim did not exist at the time of the earlier action, it could not have been asserted in that action and is not barred by res judicata." *Aspex Eyewear, Inc. v. Marchon Eyewear, Inc.*, 672 F.3d 1335, 1342 (Fed. Cir. 2012). The Federal Circuit then concluded that "the issue of validity of the reexamined claims remains to be addressed in any future proceeding," and the district court "correctly deemed it inappropriate to advise on the new claims, in a case the parties agreed was moot." On this basis, the Federal Circuit affirmed the district court's judgment.

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