

Fed. Circ. Vacates Re-Exam Ruling After Patent Expires

By **Ryan Davis**

Law360, New York (January 14, 2016, 8:11 PM ET) -- Saying it faced an "unusual set of circumstances" because the patent at issue expired before it ruled, the Federal Circuit on Thursday vacated a re-examination decision upholding some claims of a Puget Bioventures LLC knee surgery patent, while affirming the validity of other claims.

Puget had amended some claims of the patent during an inter partes re-examination requested by Biomet Orthopedics LLC, which Puget accuses of infringement. The U.S. Patent Trial and Appeal Board found that some amended and unamended claims were valid, but while Biomet's Federal Circuit appeal of that decision was pending, the patent expired on Dec. 24.

The Federal Circuit held that since the U.S. Patent and Trademark Office does not enter amendments made in re-examinations after the patent has expired, the amended claims cannot issue. At the same time, it affirmed the PTAB's decision that several unamended claims of the patent are valid.

The appeals court indicated that it was uncertain what should happen next with the amended claims due to the expiration and sent the case the back to the PTAB "to take whatever action it deems appropriate."

Brad Pedersen of Patterson Thunete Pedersen PA, an attorney for Puget, said the question on remand will be whether and how the amended claims might ultimately issue. There was no precedent directly on point about what happens when a long proceeding outlasts the patent, he said.

"There are some really unique facts to it," he said. "The re-examination was filed five years ago, and no one expected the patent would expire when the we started the re-examination in 2010."

An attorney for Biomet could not immediately be reached for comment Thursday.

Puget sued Biomet over the patent, which covers surgical methods used in total knee replacements, in Indiana federal court in 2010. Later that year, the USPTO instituted a re-examination at Biomet's request. The infringement litigation remains stayed pending the outcome of the re-examination.

All of the claims were rejected during the re-examination, and Puget responded by amending some claims. After the examiner rejected the claims again, the case was appealed to the PTAB, which ultimately held that eight amended and eight unamended claims were patentable, leading Biomet to appeal.

Amendments do not become effective until a re-examination certificate issues, and that has not yet happened for Puget's patent. The Federal Circuit held that because the patent has expired, and amendments are not allowed for expired patents, the amended claims cannot issue, and vacated the PTAB's decision on those claims.

Puget suggested that the Federal Circuit could review the examiner's rejection of the original form of the amended claims before they were rejected and order their allowance. The court rejected that idea, writing that "we cannot, and would not, usurp the power of the agency to review these claims in the first instance."

With respect to the unamended claims, the Federal Circuit wrote that there was "no reversible error" in the board's decision and affirmed that those claims are patentable.

The patent at issue is U.S. Patent Number 7,344,541.

Judges Kimberly Moore, Kathleen O'Malley and Richard Taranto sat on the panel for the Federal Circuit.

Biomet is represented by Douglas Salyers, Paul McGowan and Dustin Weeks of Troutman Sanders LLP.

Puget is represented by Brad Pedersen and Chad Wickman of Patterson Thunte Pedersen PA.

The case is Biomet Orthopedic LLC v. Puget Bioventures LLC, case number 2015-1468, in the U.S. Court of Appeals for the Federal Circuit.

--Editing by Brian Baresch.

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