

## Post-Grant Review Chickens Come Home to Roost: The Federal Circuit Clarifies the Effect of Reexamination on Equitable Estoppel and Laches

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The Federal Circuit recently overturned a decision estopping the plaintiff from pursuing its infringement claims in the United States District Court for the Eastern District of Arkansas, and clarified the effect of reexamination on equitable estoppel and laches. In *John Bean Technologies Corporation v. Morris & Associates, Inc.*, the Federal Circuit held that District Court abused its discretion applying equitable estoppel to bar John Bean Technologies Corp.'s ("John Bean") infringement action without considering the impact of an intervening *ex parte* reexamination on the claims of the asserted patent.

By way of background, John Bean and the defendant, Morris & Associates, Inc. ("Morris"), are fierce competitors in the poultry chiller market, in which they are the only U.S. participants. In 2002, John Bean began notifying Morris' customers that Morris equipment infringed John Bean's U.S. Patent No. 6,397,622 ("'622 Patent"). Morris alleged by letter response that the '622 Patent is invalid, and provided factual support and evidence for this contention. Morris also accused John Bean of making misleading statements to its customers, in violation of unfair competition laws.

John Bean did not respond. Eleven years later, John Bean filed a request for *ex parte* reexamination of the '622 Patent. The United States Patent and Trademark Office rejected both claims of the '622 Patent as invalid. In response, John Bean amended the original two claims of the patent and added six new claims. A month after the reexamination certificate issued, and 12 years after Morris' letter, John Bean filed a complaint against Morris for patent infringement.

The complaint did not allege that Morris engaged in any infringing activity prior to the issuance of the reexamination certificate and did not seek damages for any activity prior to the issuance of the reexamination certificate. However, the District Court granted Morris' motion for summary judgment in favor of Morris holding that John Bean's infringement action was barred by both laches and equitable estoppel stemming from activities that occurred since 2002.

The Federal Circuit disagreed with the District Court, noting that the 2014 reexamination resulted in substantive amendments, which narrowed the scope of the original claims and added six new claims. The amendments made during reexamination were both substantial and substantive—John Bean had added new limitations and incorporated another patent application by reference. As such, the Federal Circuit concluded that equitable estoppel could not apply based on Morris' 2002 letter challenging the validity of the original claims. Because the patents had substantively changed, the court reversed and remanded the lower court's grant of summary judgment based on equitable estoppel and laches. While this result follows common sense, it provides some welcome clarity regarding the assertion of equitable estoppel and laches defenses following the reexamination.



Article By

[Andrew H. DeVoogd](#)

[Christopher G. Duerden](#)[Anthony E. Faillaci](#)

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