

***Honeywell International Inc. v. Arkema Inc.***, 939 F.3d 1345 (Fed. Cir. 2019)

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***...the Board erred by rejecting Honeywell's request to file a motion for leave to petition the Director for a Certificate of Correction based on Honeywell's failure to "show that [the] requirements of 255 have been met.***

Honeywell owns U.S. Patent 9,157,017, which claims automotive air-conditioning systems. The application to the '017 patent had originally described and recited claims for fluoroalkane compounds for use in refrigeration systems. During prosecution, Honeywell, in a preliminary amendment, deleted those original claims and replaced them with 20 new claims directed to automotive air-conditioning systems, which were admittedly different subject matter than the original claims. Honeywell, however, did not amend its priority claim to incorporate certain sister applications that disclosed the automotive-air-conditioning subject matter. The '017 patent issued on October 13, 2015, listing a priority chain of applications dating as far back as 2002.

Four months after issuance, Arkema filed two petitions for post-grant review (PGR) of the '017 patent. PGR is only available against patents with an effective priority claim on or after March 16, 2013. Arkema argued that the '017 patent was nevertheless eligible for PGR because the listed priority applications did not provide written-description support for the issued claims, meaning the '017 patent had an effective priority date of March 26, 2014, the filing date of the application that directly led to the '017 patent. The Patent Trial and Appeal Board (PTAB) agreed that the '017 patent was eligible for PGR and instituted trial.

Following institution, Honeywell sought the PTAB's permission to file a motion for leave to request a certificate of correction to amend its priority claim to include earlier applications that disclosed automotive air-conditioning systems. The PTAB held two telephonic hearings on this request and ultimately rejected Honeywell's request to file the motion because "[t]his is not a typographical or clerical error. It's been also failed [*sic*] to show that the minor character prong has been met." The PGRs proceeded to a combined Final Written Decision, where the PTAB found the claims of the '017 patent were unpatentable. Honeywell appealed the PTAB's decision denying it leave to file the motion to request a certificate of correction.

On appeal, the Federal Circuit rejected, out of hand, Arkema's argument that the PTAB's denial of Honeywell's request or authorization to file a motion for leave was not reviewable on appeal. The court then concluded that the PTAB had abused its discretion in denying Honeywell this authority to file its requested motion.

In so doing, the Federal Circuit pointed out there is a three-step process for a patentee to pursue a certificate of correction once a PGR is instituted. First, the patentee must seek authorization to file a motion for leave. Second, if granted, the patentee may file a motion for leave asking the PTAB to cede its jurisdiction so the patentee may petition the Director for certificate of correction. And, third, if the motion is granted, the patentee may petition the director for a certificate of correction. The court stated that the statute does not allow the PTAB to decide the ultimate issue whether a certificate of correction is appropriate because it is of a "minor character" or "occurred in bad faith." Rather the authority to make those determinations resides in the Director and has not been delegated to the PTAB.

The Federal Circuit decided that the PTAB abused its discretion in denying authority to Honeywell to file the requested motion on the basis that Honeywell had not shown in its request for authorization that the substantive requirements for the issuance of certificate of

correction were not met. Principally, the PTAB erred by assessing the substantive merits of Honeywells' to-be-filed motion on the slim basis of two conference calls, without assessing the motion itself. When the PTAB denied Honeywells' request, it did not have the benefit the substance of Honeywells' proposed certificate of correction nor any evidence as to whether Honeywells' failure to amend its priority claim during prosecution was inadvertent and made in good faith. The court found that the PTAB erred by requiring Honeywell to show it would have met the substantive requirements of entitlement to certificate of correction before filing a motion for leave. Finally, the PTAB erred by assuming the Director's authority to decide the merits of whether Honeywell was entitled to a certificate of correction.

As a remedy, the Federal Circuit vacated the PTAB's final written decision and remanded the case requiring the PTAB to authorize Honeywell to file the requested motion and to decide that motion consistent with the Office's regulations.