

NATURAL ALTERNATIVES INT'L, INC. v. IANCU, Appeal No. 2017-1962 (Fed. Cir. Oct. 1, 2018). Before Prost, Moore, and Reyna. Appealed from Patent Trial and Appeal Board.

Background:

NAI filed a series of eight patent applications. When the fifth application, which was a CIP, was filed, it claimed priority to all previous applications. After filing of the sixth application, the priority claim in the fifth application was removed. Thus, when the fifth patent issued, it waived priority to the first four applications. The sixth and subsequent applications claimed priority to the first application by claiming priority to the fifth application.

A competitor of NAI requested reexamination of NAI's eighth patent. The challenged claims were rejected as anticipated by, or obvious over, prior art references, including a parent of the reexamined patent. The PTAB affirmed the Examiner's findings that eighth patent was not entitled to priority benefit of the first application, and thus affirmed the Examiner's rejections. NAI appealed. The Director of the PTO intervened.

Issue/Holding:

Is the eighth application entitled to the priority date of the first application? No, affirmed.

Discussion:

NAI first claimed that a priority claim to the first application "vested" in the sixth application once the sixth application met all the criteria of §120. NAI further argued that the waiver of priority in the fifth application was limited to that application, and that priority should be viewed as each application being entitled to its own chain, rather than each prior application forming a link of a continuous chain.

However, the Federal Circuit found that the eighth application did not meet the "specific reference" requirement of §120 as to the filing date of the first application. This is because the eighth application claimed priority to the first application via the fifth application, but the fifth application lacked priority to the first application. The Federal Circuit appeared to reason that, because the eighth application incorrectly described the fifth application as being a CIP, the relationship between the fifth application and the prior applications was no longer accurately described. Thus, the priority claim in the eighth application was defective.

The court also found that NAI was interpreting MPEP §201.11 (now MPEP §211) too narrowly. The MPEP does not describe that cancelation of a benefit claim is considered waiver only in the application in which it is waived.

The Federal Circuit also disagreed that priority should not be viewed as a single growing chain. NAI did not cite to any case law to support its arguments, and the Supreme Court previously adopted the view of priority being a single chain in *Godfrey v. Eames*, 68 U.S. 317 (1863), explaining that "each application in a long chain grows out of the one immediately preceding it."

Finally, the Federal Circuit explained that under NAI's theory of priority, NAI could gain patent term on its fifth application while simultaneously shielding its children from their former parents. However, the court explained that the tradeoff to gaining patent term by waiving priority is that the application and its children become vulnerable to rejections based on a larger pool of prior art, including former parent applications. The court found that NAI cannot have it both ways.