

**PROSECUTION LACHES:
SHOWING OF PREJUDICE REQUIRED**

Cancer Research Technology Ltd. v. Barr Laboratories, Inc.

Decided: November 9, 2010

The doctrine of prosecution *laches* may render a patent unenforceable when the patent has been issued only after an unreasonable and unexplained delay in prosecution to misuse the statutory patent system under the totality of the circumstances. In *Cancer Research Technology Ltd. v. Barr Laboratories, Inc.* (*Cancer Research*), the U.S. Court of Appeals for the Federal Circuit (Federal Circuit) held that a defense relying on the doctrine of prosecution *laches* requires showing not only unreasonable and unexplained delay in prosecution, but also material prejudice that an alleged infringer suffered due to the delay. The Federal Circuit also held that, to establish prejudice, an accused infringer must show evidence of intervening rights. In other words, the accused infringer must show that the claimed invention was invested in, worked on, or used by the accused infringer or others during the delay.

In *Cancer Research*, the patent at issue was first filed in the U.S. Patent and Trademark Office (USPTO) in 1982 by a British pharmaceutical company. In 1991, Cancer Research Technology Ltd. (CRT) received an absolute assignment of rights for the patent application. The claims were found to be allowable, and the patent was issued in November 1993. During the prosecution of the patent, there were eleven continuation applications and ten abandonments. In particular, ten continuation applications were filed without substantively responding to the office actions issued by the USPTO.

In 2007, CRT sued Barr for patent infringement. Barr responded by asserting that the patent was unenforceable for prosecution *laches*. The U.S. District Court for the District of Delaware (District Court) agreed with Barr and held that the delay caused by the continuation and abandoned applications, as well as no substantive prosecution for nearly a decade, was unreasonable. In its decision, the District Court stated that the doctrine of prosecution *laches* does not require a showing of intervening rights.

On appeal, the Federal Circuit disagreed with the District Court and held that the doctrine of prosecution *laches* requires a showing of prejudice as well as unreasonable and unexplained delay. The Federal Circuit further held that, to establish prejudice, an accused infringer “must show evidence of intervening rights.” Here, the Federal Circuit found that Barr was hardly prejudiced by the delay because Barr filed its Abbreviated New Drug Application more than thirteen years after the issuance of CRT’s patent.