

Charles L. Gholz*

**COMPELLED TESTIMONY,
TESTIMONY ABROAD, AND
PROTECTIVE ORDERS IN
INTERFERENCE PROCEEDINGS
UNDER THE NEW RULES**

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I. INTRODUCTION

Mr. Smith has described the techniques which will be available under the new rules for taking testimony in the ordinary case—i.e., where each party presents the direct testimony only of witnesses who are under its control, where the testimony is taken only in the United States, and each party is content to submit its evidence and to respond to the other party's discovery requests without benefit of a protective order. Such ordinary cases probably make up the over-

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whelming majority of interferences. However, the new rules and the commentary with which they were published also make a number of important innovations with respect to those unusual interferences in which a party seeks to rely on the testimony of a witness over whom it does not have control, in which a party seeks to take testimony abroad, or in which a party seeks either to submit its own evidence or to respond to an opponent's discovery request under a protective order.

II. COMPELLED TESTIMONY

There are actually three categories of witnesses: those under the control of the party proffering their testimony, those under the control of an opponent of the party proffering their testimony, and those under the control of neither the party proffering their testimony nor an opponent of the party proffering their testimony.

A. *Individuals Under the Control of the Party Proffering Their Testimony*

As to the first category of witnesses, no compulsion in the sense considered here is necessary. Such witnesses are normally the employees, former employees, or outside consultants of the real party in interest, and the real party in interest merely uses whatever business or professional hold it has over them to insure that they execute their affidavits or declarations under 37 CFR 1.672(b) and/or appear at the appointed time and place for their direct examination and/or cross-examination.

B. *Individuals Under the Control of an Opponent of the Party Proffering Their Testimony*

As to the second category of witnesses, the PTO envisions the use of a form of compulsion short of the issuance of a subpoena under 35 USC 24. According to the commentary published with the new rules:

An oral comment was received which asked whether permission to issue a subpoena would be needed in the event a party seeks to call a witness under the control of an opponent. Ordinarily, the examiner-in-chief can order a party to produce an individual for

deposition as long as the individual is a party or is under the control of the party, e.g., an employee of an assignee.¹

Of course, the opponent will not ordinarily make such a witness available to the would be proponent of the witness for the purpose of preparing an affidavit or declaration under 37 CFR 1.672(b). Accordingly, the first sentence of 37 CFR 1.672(b) ("A party wishing to take the testimony of a witness whose testimony will not be compelled under 35 U.S.C. 24 may elect to present the testimony of the witness by affidavit or deposition.") is somewhat deceptive. A party wishing to take the testimony of a witness who is under the control of its opponent ordinarily has no practical alternative to taking the testimony by deposition.²

Apparently the way the procedure will work mechanically is as follows. An attorney desiring to take the testimony of a witness under his opponent's control will contact his opponent's counsel to hold a 37 CFR 1.673(g) "oral conference" with him "to attempt to agree on a mutually acceptable time and place for conducting the deposition." If they can agree, well and good. If they cannot agree, they are to contact the examiner-in-chief assigned to the interference, "who shall then designate the time and place for conducting the deposition." Whether or not the parties agree as to the

¹ 49 Fed. Reg. 48416, 48448 (Dec. 12, 1984) (hereinafter cited as "49 Fed. Reg. at ____"). Somewhat redundantly, the commentary also contains the following passage:

One comment asked why there is "no express provision * * * [in the rules] for simply taking appropriate testimony of an adverse party by notice * * * rather than requiring a subpoena?" In many cases, notice will be sufficient inasmuch as an examiner-in-chief or the Board may generally order an adverse party to appear and give testimony. Thus, in many cases a subpoena is not needed to require attendance at a deposition of an adverse party. [49 Fed. Reg. at 48448.]

² The commentary states that:

An affidavit [or declaration] may be used only when a witness agrees to sign the affidavit [or declaration]. If an individual refuses to sign an affidavit [or declaration] or voluntarily appear at a deposition, the party calling the witness will have to compel attendance at a deposition by a subpoena under 35 USC 24 after receiving permission from an examiner-in-chief. [49 Fed. Reg. at 48448.]

However, while it is no doubt true that one cannot force a hostile witness to sign an affidavit (or declaration), as demonstrated in the text it is *not* true that one must "compel attendance at a deposition by a subpoena under 35 U.S.C. 24" if the hostile witness is under the control of one's opponent.

time and place for conducting the deposition, however, it is extremely important that the would be proponent of a hostile witness ask the examiner-in-chief to enter an order requiring the opponent (i.e., the party who controls the witness) to produce the witness for deposition at that time and place. That is because it is only violation of such an order which can trigger 37 CFR 1.616 sanctions.³ If a party agrees that a witness under its control will be produced at a given time and place, but no such order is entered and the witness is not produced at the appointed time and place, the would be proponent of the witness may have no effective remedy.

It is particularly interesting that the PTO does not draw a distinction between a witness under one's opponent's control who is located abroad and such a witness who is located in this country. Thus, if one is, for example, attempting to prove derivation by the use of testimony from a witness under one's opponent's control, one can apparently ask the examiner-in-chief to order one's opponent to produce the witness for oral deposition *in this country*, thereby avoiding the extremely unsatisfactory technique for obtaining the "testimony" of a witness in a foreign country described in the next section of this paper. Of course, the examiner-in-chief has no authority to compel the real party in interest to produce the foreign witness for deposition in this country, but, if the real party in interest declines to do so, the examiner-in-chief can impose sanctions under 37 CFR 1.616 up to and including "granting judgment in the interference." 37 CFR 1.616(e).

Note that 37 CFR 1.673(b) requires the proponent of a witness to serve on its opponent (but not file) before the 37 CFR 1.673(g) "oral conference" lists and copies basically corresponding to the lists and copies now required by 37 CFR 1.287(a)(1)(i) and (ii). However, counsel who intends to depose a witness under his opponent's control will often not have "possession, custody, or control" of all the documents or things he would like to ask the hostile witness about. In fact, in the usual case his opponent will have

³ According to 37 CFR 1.616, "An examiner-in-chief or the Board may impose an appropriate sanction against a party who fails to comply with . . . any order entered by an examiner-in-chief or the Board."

“possession, custody, or control” of those documents or things. Of course, 37 CFR 1.687(b), like 37 CFR 1.287(b), provides that, “[w]here appropriate, a party may obtain production of documents and things during cross-examination of an opponent’s witness. . . .” However, the examination of a hostile witness under consideration here is not “cross-examination of an opponent’s witness”; it is direct examination of one’s own witness, albeit a hostile witness. Moreover, a hostile witness may plead (whether accurately or disingenuously) that he does not have the documents or things in question with him at the deposition and that it will take considerable time and/or travel to another city to obtain these documents and things, thereby placing a proponent attorney who is far from his home office in an exceedingly awkward position.

Clearly what is needed here is a type of administrative subpoena duces tecum. If, as asserted by the commentary, the examiner-in-chief can order a party to produce an individual under its control for deposition, no reason is seen why the examiner-in-chief could not also order the party to produce the individual along with the documents and things which are needed for the individual’s examination and which are also under the party’s control. The sixty-four dollar question, however, is whether the board will hold that the archaic “interest of justice” requirement of 37 CFR 1.687(c) applies to such a request. That is, the commentary does not suggest that a party which wishes to take the testimony of a witness under its opponent’s control must make a 37 CFR 1.687(c) “interest of justice” showing before the examiner-in-chief will order the production of the witness, but it could be argued that 37 CFR 1.687(c) applies to a request that the party be ordered to produce documents and/or things as well as the witness.

As a final point on this topic, note that the commentary states that “[o]rdinarily” the examiner-in-chief can order a party to produce a witness who is “a party or is under the control of a party” for deposition by the party’s opponent. While the commentary does not provide an explanation of the use of the cautionary introduction, presumably the PTO has in mind situations where a named party is not in fact under the control of the real party in interest. For instance,

if the interference is styled *Jones v. Smith*, but Jones has assigned all his rights to XYZ, Inc. and has moved to Switzerland, presumably the examiner-in-chief would not order XYZ, Inc. to produce Jones for deposition at pain of incurring 37 CFR 1.616 sanctions if it is unable to do so.⁴ On the other hand, it is not seen how the cautionary “[o]rdinarily” can apply to the second half of the listed alternatives, for presumably the examiner-in-chief could always order a party to produce for deposition “an individual . . . [who] is under the control of the party.”

C. *Individuals Under the Control of Neither the Party Profferring Their Testimony Nor an Opponent of the Party Profferring Their Testimony*

The third category of witnesses offers the classic case of compelled testimony. This is the situation to which 35 USC 24 clearly applies.⁵ Such witnesses may be employees of independent testing companies which tested what one’s

⁴ Of course, the allegation that a former employee-inventor is no longer under the control of the real party in interest is obviously subject to considerable abuse, and it is to be hoped that the PTO will permit discovery into the question of actual control and will not accept an assignee’s allegation of non-control as conclusive.

⁵ 35 USC 24 reads as follows:

§24. *Subpoenas, witnesses*

The clerk of any United States court for the district wherein testimony is to be taken for use in any contested case in the Patent and Trademark Office, shall, upon the application of any party thereto, issue a subpoena for any witness residing or being within such district, commanding him to appear and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpoena. The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested cases in the Patent and Trademark Office.

Every witness subpoenaed and in attendance shall be allowed the fees and traveling expenses allowed to witnesses attending the United States district courts.

A judge of a court whose clerk issued a subpoena may enforce obedience to the process or punish disobedience as in other like cases, on proof that a witness, served with such subpoena, neglected or refused to appear or to testify. No witness shall be deemed guilty of contempt for disobeying such subpoena unless his fees and traveling expenses in going to, and returning from, and one day’s attendance at the place of examination, are paid or tendered him at the time of the service of the subpoena; nor for refusing to disclose any secret matter except upon appropriate order of the court which issued the subpoena.

opponent contends to have been actual reductions to practice but which one suggests to have been failed experiments; they may be former employees of one's opponent through whom one hopes to prove derivation, suppression, or concealment; or they may even be one's own client's now-hostile former employees whose testimony one needs to prove one's own case-in-chief.

35 USC 24 has not been amended, but the new rules place strict curbs on its use both in obtaining discovery from a non-party and in obtaining the testimony of a non-party. 37 CFR 1.671(g) provides that: "A party must file a motion (§1.635) seeking permission from an examiner-in-chief prior to taking testimony or seeking documents or things under 35 U.S.C. 24," and 37 CFR 1.672(c) states that "A party wishing to take the testimony of a witness whose testimony will be compelled under 35 U.S.C. 24 must first obtain permission from an examiner-in-chief under §1.671(g)." To give teeth to these provisions, 37 CFR 1.671(h) provides that "Evidence which is not taken or sought and filed in accordance with this subpart shall not be admissible."

The commentary to the new rules contains the following fairly extended explanation of the rationale for these curbs on the use of 35 USC 24:

Under §1.671(g), a party is required to obtain permission from an examiner-in-chief prior to proceeding under 35 U.S.C. 24. This requirement insures that a subpoena is necessary (e.g., a subpoena ordinarily should not be necessary where testimony of an opponent is sought) and that testimony sought through a section 24 subpoena is relevant before a subpoena is issued. The motion seeking permission to proceed under section 24, any opposition thereto, and the order of an examiner-in-chief authorizing the moving party to proceed under section 24 will be of assistance to a federal court in the event a party is required to resort to a court to enforce the subpoena or to compel answers to questions propounded at any deposition where a witness is appearing pursuant to a subpoena. See *Sheehan v. Doyle*, 529 F.2d 38, 188 USPQ 545 (1st Cir.), *cert. denied*, 429 U.S. 870 (1976), *rehearing denied*, 429 U.S. 987 (1976).

It should be noted that 35 USC 24 and 37 CFR 1.671(g) are relevant at two different times and in two conceptually distinct ways during the course of an interference.

First, during the discovery period mandated by 37 CFR 1.651(a) and thereafter as permitted by 37 CFR 1.687(c) and 1.645, a party can file a motion pursuant to 37 CFR 1.671(g) asking the examiner-in-chief to authorize it to obtain *discovery* from a non-party. Such discovery can include a discovery deposition, but the discovery deposition is *not* testimony, and it cannot even be used as such pursuant to 37 CFR 1.688, "Use of Discovery."⁶ Thus, the utility of 35 USC 24 and 37 CFR 1.671(g) at this point in the interference seems limited to exploratory depositions, to written interrogatories and requests for admissions, and to the obtaining of documents and physical evidence which can be introduced during a party's testimony period via a friendly witness.

Second, 35 USC 24 and 37 CFR 1.671(g) are relevant during a party's testimony period or periods, during which they can be used to obtain evidence, including testimony, from a non-party or a nominal party (such as a named inventor who has assigned all his rights) who in fact is not a real party in interest.

Interestingly, although 37 CFR 1.671(g) states that a motion seeking to take testimony or seeking documents or things under 35 USC 24 "shall describe the general nature and the relevance of the testimony, document, or thing," neither the rules nor the commentary gives any hint of what standards the examiners-in-chief will apply in deciding whether or not to grant permission to proceed under 35 USC 24 *during the testimony period*. The very fact that the rules will now require parties to ask permission before using 35 USC 24 suggests that the PTO intends to "rein in" the use of that section, both for discovery and for testimony. How-

⁶ 37 CFR 1.688(a) permits a party to introduce into evidence "an answer to a written request for an admission or an answer to a written interrogatory obtained by discovery under §1.687." Neither the old nor the new interference rules contains any provision corresponding to FRCP 32, which, subject to certain conditions, permits the use of discovery depositions at trial. The most important condition on the use of discovery depositions at trial is that the party against whom the discovery deposition is used must have been "present or represented at the taking of the deposition or . . . [have] had reasonable notice thereof." That condition would, of course, be met in most cases where an interferant wished to use a discovery deposition as evidence.

ever, while 37 CFR 1.687(c) applies to requests for "additional discovery," including requests for additional discovery under 35 USC 24, it does not apply to requests to take the testimony of a non-party witness during a party's testimony period. Nevertheless, there is an obvious analogy between requests for authorization to obtain discovery from a non-party witness and requests to take the testimony of a non-party witness, and it seems likely that the examiners-in-chief will look to 37 CFR 1.687(c) and the case law developed under 37 CFR 1.287(c) for guidance in deciding whether or not to authorize a party to obtain the testimony of a non-party under 35 U.S.C. 24 and 37 CFR 1.671(g). Thus, it seems likely that the standard for granting permission to obtain the testimony of a non-party witness will be at least as high as the "interest of justice" standard of 37 CFR 1.287(c) and 37 CFR 1.687(c).

III. TESTIMONY ABROAD

37 CFR 1.684, "Testimony in a Foreign Country," contains some improvements over 37 CFR 1.284, but not nearly as many as were once rumored to be under consideration by the PTO.

A. *Non-Applicability to Cross-Examination*

At the outset it should be noted that 37 CFR 1.684 does *not* apply to the *cross*-examination of a witness whose testimony on direct has been submitted by way of an affidavit or declaration under 37 CFR 1.672(b). In that situation, any opposing party has the right to insist that the witness be produced for cross-examination (and redirect examination) in the United States. As stated by the commentary to the new rules:

Section 1.684 does not apply to cross-examination. If a party submits an affidavit under §1.672(b) or intends to rely on an affidavit under §1.617(e), the party must make the affiant available for cross-examination at a deposition. See §1.673(e). A deposition may be noticed only "for a reasonable time and place in the United States." See §1.673(a). Accordingly[,] it is not expected that §1.684(a) will be used to cross examine affiants residing in foreign

countries. The party filing the affidavit will be required to make the affiant available for cross-examination in the United States.⁷

Thus, the applicability of 37 CFR 1.684 is probably limited to *direct* examination of (1) witnesses under the control of the proponent, (2) witnesses under the control of the party opposed to the proponent, and (3) witnesses who are under the control of no party to the interference. However, it appears that, for the various and differing reasons developed below, 37 CFR 1.684 is in fact of little utility in any of these situations.

B. Limitation to Testimony in Response to Written Interrogatories and Cross-Interrogatories

Most importantly, 37 CFR 1.684 (like 37 CFR 1.284) provides that testimony abroad is to be taken by way of written interrogatories and cross-interrogatories approved in advance by the examiner-in-chief and asked by or before "an officer qualified to administer oaths in the foreign country under the laws of the United States *or* the foreign country."⁸ While 37 CFR 1.684(d) does provide that the testimony may be taken on oral deposition "[i]f the parties agree in writing," there is no suggestion that the examiner-in-chief has authority to authorize the testimony to be taken on oral deposition if the proponent of the evidence wants to take the testimony on oral deposition, but the (or an) opponent refuses to agree.⁹ Thus, an adverse party apparently has the right to insist that the "testimony" taken abroad be confined to obtaining and recording the witness's replies to written interrogatories and cross-interrogatories. As will be readily appreciated, the inability to ask follow-up questions to clarify a witness's initial response¹⁰ makes this form of testimony taking virtually useless except for taking the testimony of

⁷ 49 Fed. Reg. at 48449.

⁸ 37 CFR 1.684(c); emphasis supplied. The use of the alternative "or" is an improvement over 37 CFR 1.284, which required that the written interrogatories be asked by or before "an officer duly qualified to take testimony under the laws of the United States in a foreign country."

⁹ See *Rafford v. DeFerranti*, 1892 C.D. 161 (Comm. of Pat. 1892).

¹⁰ 37 CFR 1.684(c)(4) provides that the transcript prepared by the officer taking the testimony shall show "[t]he presence or absence of any party [or, practically

extremely well prepared friendly witnesses—whose testimony on direct would normally be submitted by way of affidavits or declarations under 37 CFR 1.672(b) anyway.

C. Possible Compulsion of Foreign Witnesses

As previously discussed,¹¹ the PTO is apparently going to permit interferants to compel their opponents to produce witnesses under their control for oral deposition *in this country*.¹² Thus, it appears that one is most likely to be using 37 CFR 1.684 in an attempt to obtain testimony from a witness (1) who is not under the control of any party and (2) who is hostile (or, at least, not sufficiently friendly to be induced to testify in the United States by the offer of a free trip to the United States). In such a situation, one is faced not only with the problems imposed by the inability to clarify the pre-approved written interrogatories as necessary during the "testimony" and to ask follow-up questions, but also by a likely inability to get the witness to testify in the first place. 37 CFR 1.684(c) provides that, if the examiner-in-chief does grant a motion to take testimony in a foreign country, "the moving party shall be responsible for obtaining answers to the interrogatories and cross-interrogatories before an officer qualified to administer oaths in the foreign country under the law of the United States or the foreign country." There is not a hint that the opposing party has to cooperate in

speaking, its counsel," and it is possible that the officer would even let counsel propound the questions to the witness. However, that would not give counsel the right or ability to ask follow-up questions, or even to clarify an interrogatory which a witness obviously misunderstood. If counsel for the proponent attempted to do either, counsel for his opponent (who would presumably be absent since, by definition, the parties had failed to agree under 37 CFR 1.684(d) to an oral deposition) would presumably object successfully to consideration of the witness's further answers on the ground that the additional interrogatories (i.e., the additional questions) had not been approved by the examiner-in-chief and that he had not had the opportunity to propound cross-interrogatories to them.

¹¹ *Supra* at page 242.

¹² Of course, it is probable that the examiners-in-chief will refuse to order a party to produce for examination in this country a foreign witness under its control if the examiner-in-chief senses that the foreign witness's expected testimony would be of limited materiality and that the moving party is seeking the order primarily, or at least in significant part, for harassment purposes. In such a situation, the examiner-in-chief might authorize the foreign witness's testimony to be taken abroad but refuse to order that the witness be produced for examination in this country.

obtaining those answers¹³ or that, if the moving party is unable to obtain them on its own, any adverse inference will be drawn against the opposing party, much less that any 37 CFR 1.616 sanctions will be applied to the opposing party. And what ability does the moving party have to compel a hostile witness who is not under the control of either party to appear before the "officer qualified to administer oaths in the foreign country" or to answer the interrogatories and cross-interrogatories approved by the examiner-in-chief?

In a civil action under 35 USC 146 brought in a United States district court to review an adverse decision in an interference, the parties would clearly have access to 28 USC 1781(a), which states in relevant part that:

The Department of State has power, directly, or through suitable channels . . . to receive a letter rogatory issued, or request made, by *a tribunal in the United States*, to transmit it to the foreign or international tribunal, officer, or agency to whom it is addressed, and to receive and return it after execution. [Emphasis supplied.]

However, it is not at all clear that interferants have access to 28 USC 1781(a) during the pendency of the interference in the PTO.

The written interrogatories and cross-interrogatories approved by an examiner-in-chief could easily be characterized as, or incorporated into, a letter rogatory,¹⁴ but is the Board of Appeals and Patent Interferences "a tribunal in the United States" within the meaning of 28 USC 1781(a)? Although 28 USC 1781(a) is not in terms limited to courts, the answer is not as obvious as it might appear. It has been held that "a mere investigatory committee appointed by Congress" (which might be thought to be "a tribunal in the United States" within the apparently broad scope of the

13 Of course, if, as suggested in footnote 12, *supra*, the examiner-in-chief orders that the testimony of a witness under the control of a party be taken abroad in lieu of ordering that party to produce the witness for examination in this country, the examiner-in-chief might also order that party to produce the witness for examination in the foreign country before such an officer. In that eventuality, the sanctions of 37 CFR 1.616 could, of course, be used to compel the opposing party's cooperation.

14 See *Potter v. Ochs*, 1901 C.D. 205 (Comm. of Pat. 1901).

term "tribunal") has no power to authorize the taking of depositions on letters rogatory.¹⁵ Moreover, the Hague "Convention on the Taking of Evidence Abroad in Civil or Commercial Matters," which is the international convention that binds most of the important commercial nations to honor letters rogatory issued by other signatories, is expressly limited to letters rogatory issued "[i]n civil or commercial matters," and it is arguable that a patent interference is an administrative, rather than a civil or commercial, matter.¹⁶

D. Comparison to 37 CFR 1.284

In closing, it should be noted that, as demonstrated in the following table, 37 CFR 1.684 does not depart significantly from 37 CFR 1.284 insofar as the substantive requirements for obtaining an order authorizing or compelling testimony abroad are concerned:

<i>37 CFR 1.684</i>	<i>37 CFR 1.284</i>
1. A motion (under 37 CFR 1.635) must be filed;	1. A motion (under 37 CFR 1.243) must be filed;
2. Prior to the close of the moving party's appropriate testimony period;	2. No comparable express provision, but derivable from 37 CFR 1.251(b);
3. Naming the witness;	3. Setting forth the name of the witness;
4. Describing the particular facts to which it is expected that the witness will testify;	4. Setting forth the particular facts to which it is expected that the witness will testify;
5. Stating the grounds on which the moving party believes that the witness will so testify;	5. Setting forth the grounds on which is based the belief that the witness will so testify;
6. Demonstrating that the expected testimony is relevant;	6. Demonstrating that the testimony desired is material and competent;

¹⁵ *In re Pacific Ry. Comm.*, 32 Fed. 241 (C.C. Col. 1887).

¹⁶ See "Report on the Work of the Special Commission on the Operation of the Convention of 15 November 1965 on the Service Abroad of Judicial or Extrajudicial Documents in Civil or Commercial Matters" at §1.A, "Scope of the Convention: Breadth of the Concept of 'Civil or Commercial Matters'," reprinted in *Evidence, Discovery and Service on Foreign Soil: The Procedural Reach of U.S. Litigation* (D.C. Bar 1979).

7. Demonstrating that the testimony cannot be taken in this country at all or cannot be taken in this country without hardship to the moving party greatly exceeding the hardship to which all opposing parties will [sic; would] be exposed by the taking of the testimony in a foreign country;
 8. Accompanied by an affidavit stating that the motion is made in good faith and not for the purpose of delay or harassing any party; and
 9. No comparable express requirement that the motion designate the place at which the testimony would be taken, but that place would probably have to be designated in the course of showing that the relative hardships preponderate in the movant's favor.
7. Demonstrating that the testimony cannot be taken in this country at all, or cannot be taken here without hardship and injury to the moving party greatly exceeding that to which the opposite party will [sic; would] be exposed by the taking of such testimony abroad;
 8. Accompanied by a statement under oath that the motion is made in good faith, and not for the purposes of delay or of vexing or harassing any party to the case; and
 9. Designating a place for the examination of the witness at which an officer duly qualified to take testimony under the laws of the United States in a foreign country shall reside.

IV. PROTECTIVE ORDERS

A. *Historical Background*

So far as I am aware, it has always been generally assumed that, since the PTO has no authority to issue protective orders,¹⁷ otherwise secret information obtained by a party to an interference during the course of an interference could be used commercially by the party obtaining the information unless and until prevented from doing so by the

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17 But see footnote 2~~6~~, *infra*.

issuance to the other party of a patent the enforcement of which would prevent the party obtaining the information from making use of it. While this has probably been a problem since the dawn of interference practice and with all kinds of technology, the problem has become particularly acute with the advent of the current prominence of biotechnology, particularly since *In re Argoudelis*, 434 F.2d 1390, 168 USPQ 99 (CCPA 1970), has compelled applicants for patents on inventions involving not generally available microorganisms to make deposit of the not generally available microorganisms in depositories where, under certain conditions, those deposits are accessible by competitors of the applicants or their assignees. While maturation of the applications involved into patents is the most common condition upon which such deposits become accessible to the competitors of the applicants or their assignees, the condition which concerns us here is the relevance of the microorganism to an interference proceeding while the application in question is still pending.

Section 608.01(p)(C) of the *Manual of Patent Examining Procedure* provides that, in situations where an invention depends on the use of a microorganism which is not known and readily available to the public, the applicant must make a deposit of a culture of the microorganism in an appropriate depository "under conditions which assure (a) that access to the culture will be available during pendency of the patent application to one determined by the Commissioner to be entitled thereto under 37 CFR 1.14 and 35 USC 122." A party to an interference can become "one determined by the Commissioner to be entitled" to access to the culture, *inter alia*, (1) in order to verify that the culture is viable (since, if the culture is no longer viable, the opposing party is arguably entitled to judgment on the ground that its opponent's application is no longer supported by an enabling disclosure) and (2) to verify that the microorganism is correctly described in the application (since, if it is not, there may be no interference in fact between the parties). However, the party moved against may well have a legitimate fear that, and may oppose the motion on the ground that, once the moving party gains access to the culture, it will make commercial use of the microorganism, either in this country pending issuance of a patent to the other party or

in other countries where the depositor has no corresponding patent protection.¹⁸

In such a situation, the Board of Patent Interferences has in the past conditioned grant of a motion for access to the other party's culture on the entry of a stipulation such as that set forth below:

Stipulation Concerning Access to Culture

WHEREAS, the party Jones filed a 37 CFR 1.243 Motion for Access to the Culture Designated as ATCC No. . . . deposited by the party Smith with the American Type Culture Collection;

WHEREAS, the party Smith responded that it has no objection to the party Jones being granted permission to obtain a subculture of that organism from the American Type Culture Collection "for the experimental purposes indicated in the Jones Motion," but emphasized that its response to the motion was "not to be construed as a license to Jones or its assignee to use the microorganism for any purpose other than the experimental purposes set forth in the Motion"; and

WHEREAS, Patent Interference Examiner . . . has urged the parties to enter into an agreement to this effect,

NOW, THEREFORE, the parties agree as follows:

(1) Within ten days of approval of this stipulation, X Inc. (the assignee of the party Smith) will grant Y Inc. (the assignee of the party Jones) access to ATCC Deposit No. . . . for the purpose of making a subculture thereof or having the American Type Culture Collection send Y Inc. a subculture thereof.

(2) Y Inc. will use the subculture of ATCC Deposit No. . . . only for the following two purposes:

(a) to verify that the compounds recited in the count of the subject interference can actually be produced from the party Smith's microorganism in the manner taught in the party Smith's application and

(b) to ascertain whether or not the microorganism employed by the party Smith is identical to the microorganism employed by the party Jones to produce the same compounds.

(3) Y Inc. recognizes that this agreement does not grant it or the party Jones a license to use the party Smith's microorganism for any purpose other than the foregoing two purposes.

¹⁸ Of course, the moving party will eventually be able to obtain access to the depositor's culture when and if the depositor's patent issues, but that may be many months or even years in the future.

B. *The PTO's Initiative*

The PTO has, however, taken action which goes a long way toward solving the problems which were being addressed by the Interference Committee of the AIPLA. While the PTO solution does not address the problem of one interferant's learning and using commercially otherwise secret information contained in an opponent's *file*, it does address in what appears to be a satisfactory manner the problem of one interferant's learning and using commercially otherwise secret information obtained by discovery under 37 CFR 1.687(c) or 37 CFR 1.287(c).

According to the commentary accompanying the new rules:

additional discovery may be conditioned on the issuance of a subpoena *duces tecum* under 35 U.S.C. 24. Upon issuance of the subpoena, . . . the opponent could move the district court for entry of a protective order. If a party violates a protective order entered by a district court, the party would be subject to such sanctions as the district court might deem appropriate as well as a sanction by the PTO, including entry of judgment against the party. The PTO, unlike the district court, would not be able to apply a sanction after an interference is terminated.²¹

Moreover, the PTO expressly declined to change proposed 37 CFR 1.687 to provide for this procedure on the ground that:

paragraph (b) [sic; paragraph (c)] [of proposed 37 CFR 1.687] authorizes the PTO to "specify the terms of [sic; and] conditions of such additional discovery." One of those terms could be requiring a party to issue a subpoena under 35 U.S.C. 24.²²

Since present 37 CFR 1.287(c) contains the same language, it should follow that the board can similarly condition the authorization of additional discovery under the present rule upon the issuance of a subpoena and the entry by the court issuing the subpoena of an appropriate protective order.

While the procedure envisioned by the PTO is somewhat cumbersome, it appears to be workable. According to the commentary:

²¹ 49 Fed. Reg. at 48449.

²² 49 Fed. Reg. at 48449.

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By making a party proceed in the first instance in the PTO, appropriate PTO orders may be entered suggesting the scope of any protective order and stating the underlying basis for requiring a party to produce documents [or make any other type of discovery]. The order could be of assistance to the district court in subsequent enforcement or contempt proceedings.²³

Moreover, while not stated in the commentary, the "first instance" PTO proceeding could also be of assistance to the district court in deciding upon the terms of an appropriate protective order. That is, no reason is seen why each party could not propose the terms of what it believes to be an appropriate protective order *to the examiner-in-chief* or why the examiner-in-chief could not condition use of the resulting evidence in the interference upon entry of a protective order couched in particular terms.²⁴

However, there is an additional deficiency, or weakness, in the PTO's protective order initiative. Besides having no authority to issue its own protective orders, the Board also has no authority to seal a portion of its record or to decide an interference on the basis of evidence which is subject to a court's protective order. As stated by the commentary:

In rendering its decision, the Board will consider only that evidence which can be made available to the public under §1.11(a). Accordingly, the Board will not consider evidence which is submitted under a protective order issued by a court if release of that evidence under §1.11(a) would be inconsistent with the terms of the court's order.²⁵

* * *

²³ 49 Fed. Reg. at 48449. See also the commentary's Example 38, given to "illustrate how the practice would work."

²⁴ While a district judge might feel it presumptuous of a mere administrative official to tell the judge what terms should be in a protective order signed by the judge, it should be remembered that the board has the ultimate authority under 37 CFR 1.671(h) to decide whether particular evidence will be admissible. If the examiner-in-chief conditions issuance of a 37 CFR 1.687(c) order upon the movant's issuing a 35 USC 24 subpoena and obtaining entry of a particular protective order, if the movant does not obtain entry of *that* protective order, the board is not obligated to consider any evidence which the movant does obtain.

²⁵ 49 Fed. Reg. at 48418.

Additional discovery obtained under a protective order issued by either the PTO²⁶ or a district court will not be admitted in evidence in the PTO in determining the interference. All evidence submitted in an interference must be made available to the public under the provisions of §1.11(a). Accordingly, any protective orders [would] have to be vacated before a document could be admitted in evidence in the PTO which is subject to a protective order.²⁷

However, 37 CFR 1.11(a) does not in fact require that a protective order be vacated "before a document [subject to the protective order] could be admitted in evidence in the PTO." All that it says that is relevant to this point is that:

After entry of a judgment in an interference by the Board of Patent Appeals and Interferences as to all parties, the file of any interference which involved a patent, or an application on which a patent is issued is . . . open to public inspection and procurement of copies.

During the testimony and briefing periods, during the long wait for final hearing, and during the period in which the interference is sub judice, the record is still secret pursuant to 35 USC 122. Thus, no reason is seen why the protective order should be vacated before entry of judgment in the interference. Moreover, mechanically speaking, it would seem that the protective order could expire by its own terms upon entry of judgment in the interference—i.e., that there would be no need to ask the court to formally vacate the protective order. While not a major point, putting such a provision in the protective order to begin with could save both the court and the parties some time and could save the parties some money.

²⁶ Elsewhere in the commentary it is suggested that, contrary to popular belief, the board itself could issue a protective order, but that "the maximum sanction which the PTO can enter upon a proven violation of a PTO entered protective order is judgment. See §1.616." 49 Fed. Reg. at 48449.

²⁷ 49 Fed. Reg. at 48449.

V. CONCLUSION

The new rules and the commentary thereto make a number of important changes in current practice with respect to compelled testimony, testimony abroad, and protective orders. While there appears to be room for further improvement in all these areas, the new rules do seem to be a considerable improvement over the old rules.