

A CRITIQUE OF RECENT OPINIONS OF THE FEDERAL CIRCUIT IN PATENT INTERFERENCES^[1]

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I. INTRODUCTION

This article covers the Federal Circuit's precedential and interesting non-precedential opinions^[3] published since those covered in my previous article by the same title at 80 JPTOS 321 (1998)^[4] through December 31, 1998.^[5]

II. CONCEPTION

Nothing relevant this year.

III. CLASSICAL DILIGENCE

Nothing relevant this year.

IV. ACTUAL REDUCTION TO PRACTICE

- A. An Actual Reduction to Practice Can Be Established Despite Subsequent Failed Tests

Post v. Herskowitz, ___ F.3d ___, ___ USPQ2d ___ (Fed. Cir. March 05, 1998) (non precedential) (opinion delivered by Circuit Judge Rader for a panel that also consisted of Circuit Judges Newman and Bryson), is apparently an illustration of the fact that an actual reduction to practice can be established despite subsequent failed tests. However, the opinion does not provide enough facts so that we can be entirely sure of what was involved.

The count recited a catalyst. The party Herskowitz et al. was the junior party. It submitted evidence of three successful laboratory scale tests prior to the party Post et al.'s effective filing date.^[22] However:

the evidence [presumably elicited by the party Post et al. on cross-examination, since the party Herskowitz et al. surely would not have submitted this evidence voluntarily!] also showed that Herskowitz had not perfected the catalyst. [When? As of the time of its successful tests? As of the time of the party Post et al.'s effective filing date? As of the time of the party Herskowitz et al.'s filing date?] There were at least eight other, less successful, trials of the catalyst. [When? Prior to the party Post et al.'s effective filing date? Prior to the party Herskowitz et al.'s effective filing date? Presumably after the party Herskowitz et al.'s successful tests, since prior unsuccessful tests would have been irrelevant.] Moreover, Herskowitz's later attempts to move from laboratory scale to a pilot plant encountered great difficulty. Herskowitz eventually changed the method used to prepare his catalyst because control of various parameters of the catalyst pellets was very difficult to achieve in his initial method. Nevertheless, the Board determined that Herskowitz had established priority.^[23]

Moreover, on appeal the Federal Circuit affirmed. According to it:

Although the... process [in which the catalyst was used] is only commercially viable when performed on a large scale, in reactors that run continuously for days or months at a time, neither the count, the... [party Post et al.'s] patent, nor the Herskowitz application confine the use of the catalyst to commercial operations. The count accurately reflects the disclosures of the... [party Post et al.'s] patent and the Herskowitz application by merely requiring that the invention be useful in "the preparation of hydrocarbons by catalytic reaction of carbon monoxide with hydrogen."^[24]

Comment: In extreme cases, continued experimentation can show that the experimenter did not have a contemporaneous conviction of success and that, accordingly, he or she never had an actual reduction to practice. However, the continued experimentation can also be simply a failed attempt to improve on a past success. Apparently the board and the court felt that that was what had happened here.

B. Even Absent Derivation, an Actual Reduction to Practice by One Interferent Can Inure to the Benefit of a Rival Interferent

In Cooper v. Goldfarb, 154 F.3d 1321, 47 USPQ2d 1896 (Fed. Cir. 1998) (opinion delivered by Circuit Judge Schall for a panel that also consisted of Circuit Judge Clevenger and Senior Circuit Skelton), the court held that, even absent derivation, an actual reduction to practice by one interferent can inure to the benefit of a rival interferent.

The invention at issue was an artificial vascular graft constructed from expanded polytetrafluoroethylene (PTFE) tubing. Expanded PTFE is sold, inter alia, by W.L. Gore & Associates ("Gore") under the trademark GORE-TEX. Inventor Cooper was plant manager of a Gore facility in Flagstaff, Arizona. Inventor Goldfarb was director of research and a clinical staff surgeon at a hospital in Phoenix, Arizona. Mr. Cooper had sent Dr. Goldfarb a variety of expanded PTFE materials to use in his research. The board held that Mr. Cooper had conceived the invention first, but that Dr. Goldfarb had actually reduced the invention to practice (using an expanded PTFE material sent to him by Mr. Cooper) before Mr. Cooper had reduced the invention to practice, and that Mr. Cooper had not been diligent from prior to Dr. Goldfarb's conception to his own subsequent reduction to practice. Accordingly, it entered judgment for the party Goldfarb.

In a request for reconsideration of the board's decision, the party Cooper argued that the party Goldfarb's actual reduction to practice should inure to its (i.e., to the party Cooper's) benefit. However, the board refused to consider that issue on the ground that the party Cooper had not raised it in its brief.

On appeal, the Federal Circuit agreed that Mr. Cooper had conceived first, that Dr. Goldfarb had reduced the invention to practice first, and that Mr. Cooper had not been diligent from prior to Dr. Goldfarb's conception to his own subsequent reduction to practice. However, it held that the party Cooper had raised the inurement issue in its brief to the board and that the board accordingly should have considered that issue.

Ultimately the court remanded the appeal to the board for consideration of the factual disputes underlying the inurement issue. Before it did so, however, it disposed of a related legal issue. Quite apart from the factual issues relating to the inurement issue, the party Goldfarb contended that the party "Cooper's inurement argument fails as a matter of law because [the party] Cooper did not raise, argue, or prove derivation before the Board."^[25] According to the party Goldfarb, "in the context of priority contests between two inventors, inurement simply means derivation."^[26]

The Federal Circuit rejected the party Goldfarb's argument. Basically, derivation relates to conception, and inurement relates to reduction to practice.^[27] According to the court:

To prove derivation in an interference proceeding, the party asserting derivation must establish prior conception of the claimed subject matter

and communication of the conception to the adverse claimant.***As just noted, however, inurement involves the claim that, as a matter of law, another person's activities should accrue to the benefit of the inventor. In order to establish inurement, an inventor must show, among other things, that the other person was working either explicitly or implicitly at the inventor's request.***While derivation focuses on the communication of information between two parties, inurement focuses on the nature of the relationship between them. Communication of the conception by the inventor to the other party is not required to establish inurement. See, e.g., Burroughs Wellcome [Co. v. Barr Lab., Inc.], 40 F.3d 1223, 32 USPQ2d 1915 (Fed. Cir. 1998), 40 F.3d at 120 [sic; 1230], 32 USPQ2d at 1921-22 (holding that a reduction to practice by a third party inures to the benefit of the inventor even without communication of the conception). In this case, depending on the exact nature of the relationship between Goldfarb and Cooper, Goldfarb's reduction to practice could inure to the benefit of Cooper even if Goldfarb independently conceived the invention in the course of performing experiments at Cooper's request.^[28]

Comment: Even if the board holds that Dr. Goldfarb's actual reduction to practice inures to the benefit of the party Cooper, I see no reason why, if Dr. Goldfarb independently conceived the invention, that actual reduction to practice would not also inure to the benefit of the party Goldfarb. In that case, who wins and why? The party Cooper because it conceived first and reduced to practice simultaneously with the party Goldfarb? Or the party Cooper because Mr. Cooper filed his patent application first? See generally Rollins, Ties Go to the Runner, 69 JPTOS 407 (1987), and Chisum on Patents (1995) § 10.03[1][d], "Simultaneous Events."

McParland v. Beall, 45 App. D.C. 162, 1916 C.D. 231 (Ct. of App. D.C. 1916); Whittier v. Borchardt, 154 F.2d 522, 528, 69 USPQ 382, 388 (CCPA 1946); and Lassman v. Brossi, 159 USPQ 182, 185-186 (POBPI 1967), deal with circumstances in which the effective filing dates of both parties were the same and no earlier actual reduction to practice by either party had taken place. The opinions emphasize that, under those circumstances, neither party bears a greater burden of proof.

In Oka v. Youssefeyeh, 849 F.2d 581, 7 USPQ2d 1169 (Fed. Cir. 1988); and Janin v. Curtiss, 45 App. D.C. 362, 1916 C.D. 233 (Ct. of App. D.C. 1916), the junior party's actual date of invention was the same as the senior party's effective filing date. The Janin court applied the McParland rule (first to conceive wins in case of simultaneous reduction to practice). However, the Oka court held that, in the case of a tie, priority must be awarded to the senior party. Thus, neither the McParland line of opinions nor the Janin - Oka opinions fit the Cooper facts if Dr. Goldfarb's actual reduction to practice inures to the benefit of both the party Goldfarb and the party Cooper. However, both the McParland rationale and the Oka rationale appear to favor the party Cooper, which was both the first to conceive and the first to file and which simultaneously reduced the invention to practice.

V. PEELER DILIGENCE^[29]

Nothing relevant within our time frame.

VI. CONSTRUCTIVE REDUCTION TO PRACTICE

A. The Court May Have Changed the Standards for Obtaining the Benefit of a Filing Date of an Earlier Application in the Priority Context

It has been the law since *Hector* was pup that the standards for obtaining the benefit of the filing date of an earlier application are different in the priority context than they are in the patentability context.^[30] The point is illustrated most easily with a chemical hypothetical. Consider a case where an initial application discloses and claims a single compound and a continuation-in-part of that application discloses and claims a genus numbering millions of compounds, one of which is the compound disclosed and claimed in the parent application. For patentability purposes, the applicant would not be entitled to rely on the benefit of the filing date of the parent application to antedate an intervening reference.^[31] However, for priority purposes, the applicant would be entitled to rely on the benefit of the filing date of the parent application to win an interference.^[32]

Language in *Hyatt v. Boone*, 146 F.3d 1348, 47 USPQ2d 1128 (Fed. Cir. 1998) (opinion delivered by Circuit Judge Newman for a panel that also consisted of Circuit Judges Michel and Plager), suggests that that venerable dichotomy may no longer be followed.^[33] However, it is important to note (1) that *Hyatt* was not a "chemical case" and (2) that the language in question was unnecessary to the court's holding. Accordingly, the language which concerns me may only be dicta which the court will repudiate at the next opportunity.

Hyatt was Texas Instruments's celebrated (ultimately successful) attempt to take down Gilbert Hyatt's infamous "computer-on-a-chip" patent. The sole count recited:

A computer on a chip comprising:

an integrated circuit chip having a computer implemented thereon;

an integrated circuit main memory storing computer instructions, wherein said integrated circuit main memory is included on said integrated circuit chip;

an integrated circuit operand memory storing operands, wherein said integrated circuit operand memory is included on said integrated circuit chip; and

an integrated circuit processing circuit processing the operands stored by said integrated circuit operand memory in response to the instructions

stored in said integrated circuit main memory, wherein said processing circuit is included on said integrated circuit chip.^[34]

Hyatt claimed a December 28, 1970, filing date through a chain of five applications, and Boone (Texas Instruments's inventor) claimed a July 19, 1971, filing date through a chain of nine applications. The board granted the party Boone the benefit of the filing date of its 1971 application, but it denied the party Hyatt the benefit of the filing date of its 1970 application on the basis that that application "did not provide the requisite written description...."^[35] Accordingly, the board entered a judgment that the party Hyatt was not entitled to the claims in its patent in interference designated as corresponding to the count.^[36]

On appeal to the Federal Circuit, the party Hyatt sought reversal of the board's decision that it was not entitled to the benefit of the filing date of his 1970 application.^[37] However, the court affirmed the board's decision, reasoning, in part, that:

the [asserted priority] patent application must comply with the legal requirements for support of the interference count. When a party to an interference seeks the benefit of an earlier-filed United States patent application, the earlier application must meet the requirements of 35 U.S.C. §120 and 35 U.S.C. §112 ¶1 for the subject matter of the count. The earlier application must contain a written description of the subject matter of the interference count....^[38]

Fortunately, the court also said that:

For an earlier-filed application to serve as constructive reduction to practice of the subject matter of an interference count, the applicant must describe the subject matter of the count in terms that establish that he was in possession of the later claimed invention, including all of the elements and limitations presented in the count, at the time of the earlier filing.***It is insufficient as written description, for purposes of establishing priority of invention, to provide a specification that does not unambiguously describe all limitations of the count. See, e.g. Wagoner v. Barger, 463 F.2d 1377, 1380, 175 USPQ2d 85, 86-87 (CCPA 1972); Dyer v. Field, 386 F.2d 466, 156 USPQ 85 (CCPA 1967); Bocciarelli v. Huffman, 232 F.2d 647, 109 USPQ 385 (CCPA 1956).^[39]

Comment: Since the count did not contain facially generic language (such as "R1 is a lower alkyl"), this was a situation where the party Hyatt had to have support in its alleged parent application for each recitation in the count. Accordingly, the broad language in the first quotation above was not necessary to the decision.

VII. DERIVATION

Nothing relevant this year.

VIII. THE 35 USC 135(b) BAR

Nothing relevant this year.

IX. CORROBORATION

Nothing relevant this year.

X. INTERFERENCE PRACTICE

A. A Prevailing Applicant for a SIR is Entitled to an "Award of Priority"

In what surely must be one of the most meaningless gestures of the year, the court held in Hyatt v. Boone, 146 F.3d 1348, 47 USPQ2d 1128 (Fed. Cir. 1998) (opinion delivered by Circuit Judge Newman for a panel that also consisted of Circuit Judges Michel and Plager), that a prevailing applicant for a statutory invention registration (hereinafter referred to as a "SIR") is entitled to an "award of priority."

Owners of SIRs and applications for SIRs have long been entitled to participate in interferences.^[40] However, very few applications for SIRs are filed, and apparently very few SIRs or applications for SIRs have been involved in interferences. In any event, Hyatt was the first published opinion involving a SIR or an application for a SIR.

Although the board had found that the party Boone was entitled to a filing date that preceded the party Hyatt's date of invention and accordingly entered judgment against the party Hyatt, it "declined to enter judgment in favor of Boone, and entered judgment against Boone based on his request that his application be converted in a Statutory Invention Registration (SIR)."^[41] According to the court, "The Board's reason for refusing to recognize Boone's status as prior inventor was that Boone 'was not entitled to a patent by express waiver of that right,' citing 35 U.S.C. §157(a)(3)."^[42] Of course, the board was quite correct that, having converted its application for a patent into an application for a SIR, the party Hyatt was not entitled to obtain a patent. Nevertheless, the court reversed, reasoning as follows:

the SIR waiver does not affect the adjudication of priority in resolution of the interference proceeding. The Board's statement, in its reconsideration decision, that it could not adjudge Boone to be prior inventor without also holding that Boone was entitled to a patent, citing 37 C.F.R. §1.658(a), is an unwarranted reading of the regulation and is unsupported by the statute.

Although the Board correctly ruled that Boone was not entitled to a patent, that ruling is not inconsistent with an adjudication of priority. Thus the judgment is modified to state that priority as to the count is awarded to Boone.^[43]

Comment: I suppose that this holding may make Dr. Boone or his assignee feel better, but it will not allow him or it to reconvert the application for a SIR back into an application for a patent. Accordingly, what was the point of the exercise?

B. The Court Erroneously Suggests That a Reissue Application Cannot be Filed to Provoke an Interference in the PTO With a Patent Claiming the Same Invention

Slip Track Systems, Inc. v. Metal Lite, Inc., 159 F.3d 1337, 48 USPQ2d 1055 (Fed. Cir. 1998) (opinion delivered by Circuit Judge Bryson for a panel that also consisted of Circuit Judge Newman and Senior Circuit Judge Skelton), involved a situation where, according to the Federal Circuit, "the PTO issued two patents for the same invention on the same day."^[44] However, while the two patents had issued on the same day, they had matured from patent applications filed on different days, which meant that Metal Lite's patent (the Paquette patent) was 35 USC 102(e) prior art against Slip Track's patent (the Brady patent). Metal Lite took advantage of that fact by filing a request for reexamination of the Brady patent based on the Paquette patent. The PTO granted the request for reexamination, and the examiner rejected all of the claims in the Brady patent as anticipated by the Paquette patent. Slip Track tried to antedate the Paquette patent by filing a 37 CFR 1.131 declaration, but that didn't work because a 37 CFR 1.131 declaration cannot be used to swear behind a patent claiming the same invention.^[45] The examiner helpfully pointed out to Slip Track's attorney that Brady could file a reissue application and seek to provoke an interference with the Paquette patent. However, for reasons that are not explained in the opinion, Slip Track instead filed a 35 USC 291 patent-patent suit. So far, so good. However, Metal Lite then filed, and the district court granted, a motion to stay the proceedings in the patent patent suit pending the outcome of the reexamination proceeding.

The problem with what the district court did was that, if Slip Track continued (for whatever reason) to refuse to file a reissue application in order to provoke an interference in the PTO, the reexamination proceeding could only have one possible result: cancellation of the claims in the Brady patent. However, once all of the claims in the Brady patent were canceled in the reexamination proceeding, the patent-patent suit would have to be dismissed because Slip Track would no longer have a patent to be involved in the patent-patent interference. Thus, Slip Track would never have been able to raise the issue of priority in any forum. That result would clearly be unacceptable. Accordingly, the court held that the district court had abused its discretion by granting the stay and remanded the case for further action in the patent-patent suit.

Regrettably, however, the court made some clearly erroneous statements concerning interference law en route to its decision concerning reexamination law. Specifically, it said that "an interference in the PTO was unavailable [to Slip Track]..."^[46] because:

a reissue application is available to Slip Track only if it can allege that there is an error in the drawings, specification, or scope of the claims of the Brady patent. 35 U.S.C. § 251; see also In re Clement, 131 F.3d 1464, 1472, 45 USPQ2d 1161, 1167 (Fed. Cir. 1998) (submission of unaltered claims will not support a reissue application). Slip Track does not assert that the Brady patent contains such an error, and we have previously held that a reissue application may not be filed solely on the ground that the PTO erred in issuing two patents for the same invention. See In re Keil, 808 F.2d 803, 1 USPQ2d 1427 (Fed. Cir. 1987).^[47]

That's all true, but that doesn't mean that "an interference in the PTO was unavailable [to Slip Track]." ^[48] The simple solution to this recurrent problem is to file a reissue application with some additional dependent claims.^[49] A patent attorney can always think of some more claims! As long as there are some more claims in the reissue application, the Clement problem is avoided, and the reissue application will at least be considered for interference.^[50] In this case, it seems likely that an interference between the Paquette patent and the Brady reissue application would be declared -- although of course Slip Track would have to file either a 37 CFR 1.608(a) statement or a 37 CFR 1.608(b) showing, depending on how junior Brady is.^[51]

Query whether it is now too late for Slip Track to file a reissue application. The fact that the district court will now go forward with the patent-patent interference does not solve Slip Track's problem. The Federal Circuit has previously held that the PTO does not have authority to stay a reexamination.^[52] Accordingly, the reexamination will presumably plow forward to its inevitable end, resulting in a cancellation of all of the claims from the Brady patent -- and it will probably do that long before the district court decides the patent-patent interference. Thus, unless Slip Track files a reissue application immediately and gets expedited action on its request for an interference, its success on appeal is likely to prove illusory.

C. The Burden of Proof Faced by a Challenger of the Validity of a Claim in an Interference is the Preponderance of the Evidence -- at Least When the Challenger's Effective Filing Date is Before the Patent's Issue Date

In Bruning v. Hirose, 161 F.3d 681, 48 USPQ2d 1934 (Fed. Cir. 1998) (opinion delivered by Circuit Judge Rader for a panel that also consisted of Circuit Judges Plager and Bryson), the court held that:

during an interference involving a patent issued on an application that was copending with the interfering application, the quantum of proof required to sustain a validity challenge is a preponderance of the evidence.^[53]

However, the court also implied that, in an interference involving a patent issued on an application that was not copending with the interfering application, the quantum of proof required to sustain a validity challenge is clear and convincing evidence.

In Bruning the court partly (but not completely) adopted the holdings of panels of the board in Schrag v. Strosser, 21 USPQ2d 1025 (PTOBPAI 1991), and Behr v. Talbott, 27 USPQ2d 1401 (PTOBPAI 1992) (expanded panel). In Schrag the board said that:

The burden is on Schrag et al to prove their case by a preponderance of the evidence.***This standard applies in an interference proceeding even though Strosser et al are involved on a patent. Lamont v. Berguer, 7 USPQ2d 1580, 1582 (BPAI 1988) [expanded panel].^[54]

However, since the party Schrag's application was copending with the party Strosser's patent, the board's pronouncement is not necessarily applicable to issues of unpatentability of patent claims when the application is not copending with the patent.

As for Behr, in that case an expanded panel of the board carefully pointed out that the burden of proof for a motion of unpatentability is not always a preponderance of the evidence even when copending applications or copending applications and patents are involved:

The amount of evidence required to prevail on a motion under 37 CFR 1.633(a) for judgment on the ground of unpatentability is a preponderance of the evidence,^[13] unless the basis for the alleged unpatentability is fraud or inequitable conduct, in which case clear and convincing evidence is required.

^[13] See Schrag v. Strosser, 21 USPQ2d 1025, 1027 (BPAI 1991) (involving alleged public use bar under 35 U.S.C. § 102(b), citing In re Caveney, 761 F.2d 671, 226 USPQ 1, 3 (Fed. Cir. 1985).^[55]

In Bruning the court drew a distinction, not on the basis of the issue raised by the 37 CFR 1.633(a) motion, but between a party challenging the validity of a claim in a patent in which the application was copending with the application that matured into the challenged patent and a party challenging the validity of a claim in a patent which issued

before the challenging party's application was filed.^[56] According to the court, that distinction was required because:

this court must acknowledge...the unique premise of the U.S. patent system -- the system rewards the first to invent, not the first to file. When two applications are copending, which application will issue first as a patent may be as much a function of the PTO's own delay as the applicant's tactics. The rule of Price [v. Symsek, 988 F.2d 1187, 26 USPQ2d 1031 (Fed. Cir. 1993)] and Bosies [v. Benedict, 27 F.3d 539, 30 USPQ2d 1862 (Fed. Cir. 1995)], that the burden of proof required for priority challenges depends upon the issue of copendency, recognizes the inherent unfairness in penalizing an application for uncontrollable delay during prosecution.^[57]

Although the court stated that "This court finds guidance for this question of first impression in Price v. Symsek... and its companion case, Bosies v. Benedict...",^[58] it noted that "Both Price and Bosies addressed the standard of proof required to sustain a priority challenge against a patent during an interference proceeding."^[59]

Price did involve an issue of priority between a patent and an application that was filed nearly a year after the patent issued (but, by five days, within the 35 USC 135(b) bar date for presenting interfering claims). The court in Price decided that the correct standard of proof of prior invention (i.e., priority) for the applicant was "clear and convincing evidence" rather than the "beyond a reasonable doubt" standard previously applied.^[60] Notably, the court agreed with the party Price that the "clear and convincing" standard was the correct standard of proof for both derivation (arguably a 35 USC 102(f) patentability issue rather than a 35 USC 102(g) priority issue)^[61] and prior invention.^[62] Bosies, on the other hand, involved an application and a copending patent. The only issue was priority of invention. Bosies held the applicable standard of proof in that case to be a preponderance of the evidence. The court in Bosies distinguished the Price holding on the basis of the lack of copendency.^[63]

However, the issue of the standard of proof between copending applications and patents was hardly, as the Bruning court said, a "question of first impression"^[64] -- apart from the fact that the holding on the derivation issue in Price may have created some doubts with regard to unpatentability issues. The court in Kubota v. Shibuya^[65] generally approved the board's holding in Behr v. Talbott^[66] that the burden of proof in motions brought under 37 CFR 1.633 is the burden to establish the proposition at issue by a preponderance of the evidence.^[67] The Kubota court did not consider or comment on the burden of proof for motions based on issues of derivation, fraud, or inequitable conduct.

Consequently, while the derivation holding in Price may provide some support for an argument that the proper standard of proof for unpatentability issues in motions brought by a later non-copending applicant against a patentee is the clear and convincing standard, the opinion in Bruning does nothing to clarify that issue.

Comments: Making the burden of proof born by an interferent challenging the validity of a claim in an opponent's patent vary as a function of whether the challenging party's priority date precedes the challenged party's issue date makes no sense to me.^[68] The reason that the burden of proof born by an interferent challenging an opponent on priority varies as a function of whether the challenging party's priority date precedes the challenged party's issue date is the presumption that the challenging party learned the invention from the challenged party's issued patent -- which was available for the challenging party to read before it filed its own application.^[69] No such presumption of nefarious conduct logically attaches to an interferent that is challenging the validity of a claim over the prior art or, as in Bruning, on § 112 grounds.

Moreover, the Bruning court clearly had in mind an interference between one patent and one application. Its reasoning breaks down (or, at least, doesn't cover) the common situation where both parties have patents in the interference. Such situations occur both when one party is in the interference on a patent and an application to reissue that patent and the situation where one party is (or both parties are) in the interference on multiple patents. (Of course, there must be at least one application involved in the interference for the board to have jurisdiction, but there can be many patents involved in the interference.^[70])

The Bruning court referred to "the benefits of applying a bright line rule based on copendency of applications...."^[71] However, in my opinion the court's rule, while sufficient for garden variety cases, is not going to be as "bright [a] line" as the court apparently thought in unusual cases.

D. A Common Assignee is Entitled to Run Two Horses in a Three Horse Race at Least Through Decision on Preliminary Motions

Barton v. Adang, ___ F.3d ___, 49 USPQ2d 1128 (Fed Cir. 1998) (opinion delivered by Circuit Judge Rich for a panel that also consisted of Circuit Judges Rader and Gajarsa),^[72] started life as Barton et al. v. Fischhoff et al. v. Adang et al. However, a single company (the Monsanto Company) owned both the Barton et al. application (which it had acquired as an asset of a company which it had bought) and the Fischhoff et al. application (which had been filed by in-house Monsanto inventors). The APJ therefore put the common assignee under an order to show cause why judgment should not be entered against the junior of the two commonly assigned parties, but authorized Monsanto to respond to the order to show cause by electing either of the two commonly assigned applications to go forward in the interference. Under protest, Monsanto elected the Fischhoff et al. application. The board then entered judgment against the party Barton et al., and that party appealed to the Federal Circuit from that judgment. In essence, it was Monsanto's argument that it was entitled to run two horses in the three horse race.

On appeal, the court first held that it "is clear from the use of the permissive term 'may' [in 35 USC 135(a)]^[73] that the Commissioner has discretion whether to declare an interference"^[74] and "discretion to...discontinue an interference once declared."^[75] It

reasoned from that, that the board's decision to enter judgment against the party Barton et al. (i.e., to discontinue the interference as to the party Barton et al.) was discretionary and could only be reversed for an abuse of discretion. Nevertheless, it did reverse.

The outcome determinative fact in this case apparently was that both real parties in interest (and, of course, all three nominal parties) argued that the count on which the interference had been declared was vague and indefinite and had to be replaced by a more definite count. The vagueness of the count meant that the parties could not be sure what priority evidence was within the scope of the count and what priority evidence was outside the scope of the count. Accordingly, the court held that the requirement that the APJ had imposed on Monsanto to elect between the Barton et al. application and the Fischhoff et al. application was, at the very least, premature:

Monsanto... was forced to elect between its two commonly owned applications shortly after the interference began, before a decision on the preliminary motions, and before discovery was complete. Both Adang et al. and Fischhoff et al. filed preliminary motions to substitute for the count. "The purpose of the count is to determine what evidence is relevant to the issue of priority." Case v. CPC Int'l. Inc., 730 F.2d 745, 749, 221 USPQ 196, 199 (Fed. Cir.) (citation omitted), cert. denied, 469 U.S. 872 (1984). Therefore, at the time that Monsanto was forced to make an election between the Barton et al. and the Fischhoff et al. applications, it was not clear what the content of the final count would be or what proofs on dates of conception and reaction to practice Adang et al. would seek to establish. Also, if the final count as decided by the Board excluded subject matter disclosed in Barton et al., but not Fischhoff et al., Monsanto loses arguably patentable subject matter by early dismissal of Barton et al.

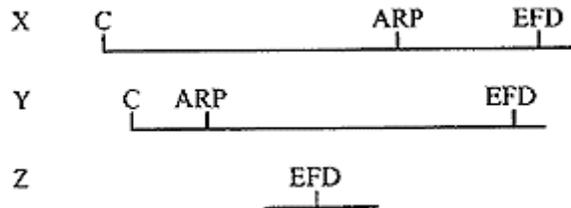
At this stage of the proceedings, Monsanto could not determine which application, either Baron et al. or Fischhoff et al., would be the best evidence to establish priority. We hold that Monsanto has shown "good cause" to continue the interference on both its applications until the preliminary motions to finalize the count are decided by the Board and discovery is complete.^[76]

Comments: The court's indication that the Commissioner has discretion to decide not to declare an interference or to terminate an interference after one has been declared is troubling. Suppose that the Commissioner decided that too many APJs were spending too much time on interferences and accordingly transferred all of the APJs who now handle interferences to ex parte appeals and announced that the PTO would no longer decide interferences, but would instead simply issue all otherwise allowable applications and permit the courts to straighten things out. Such an action by the Commissioner would seem to be contrary to "the fundamental proposition that only one patent should issue for

inventions which are identical to or are not patentably distinct from each other....,"^[77] but it would not be an entirely irrational action. Would it, however, be an abuse of discretion?

As for the action that the court took in this case, I think that it does not go far enough.^[78] The vague and indefinite count was certainly a problem, but it was not the only problem that Monsanto faced. Perhaps more importantly, the priority evidence that it would have (and presumably now will) put on on behalf of the party Barton et al. is very different than the priority evidence that it will put on on behalf of the party Fischhoff et al., and, depending on what priority evidence the party Adang et al. puts on and how the board rules on all of the priority evidence, either the party Barton et al. or the party Fischhoff et al. may succeed in obtaining a judgment against the party Adang et al. A few examples will suffice to illustrate the point.

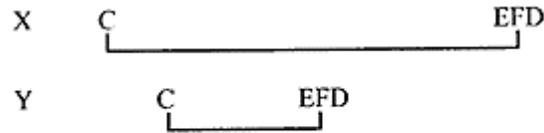
Consider the following three-way interference among the parties X, Y, and Z. In this example, a single corporation (A) owns both the party X and the party Y, another corporation (B) owns the party Z, and time runs from left to right. C stands for conception, ARP stands for actual reduction to practice, and EFD stands for effective filing date. The chart shows the information available to A at the outset of the interference -- i.e., at a time when A doesn't even know what pre filing date invention dates the party Z will allege, much less what Z will be able to prove.



Now assume (1) that there are problems with the party X's proof of continuous diligence and (2) that the period between the party Y's ARP and its EFD is so long that A reasonably anticipates that Z will allege that the party Y suppressed or concealed the invention after its ARP. Assume also that there are reasonable (but not slam dunk) arguments (1) that the party X was continuously diligent from its C to its ARP and (2) that the party Y did not suppress or conceal the invention after its ARP. In that situation, corporation A would very much like to be able to bet on two horses in the three-horse race. Perhaps the best guess of its counsel is that, if the interference goes forward with all three parties, the party Y will win, but he or she would like to argue (1) that the party Y should win; but (2) that, if the party Y doesn't win, the party X should win; and (3) that, in all events, the party Z should not win! That is, counsel for corporation A would like to be able to plead in the alternative, to advance alternative theories for why his or her client (which is corporation A, not either the party X or the party Y!) should win.

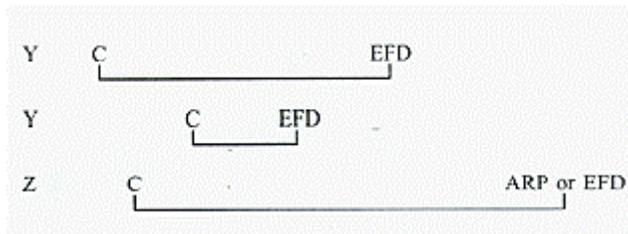
The point to be borne in mind is that a determination of prior inventorship relating to only the two cases owned by corporation A will not necessarily determine which of those two

cases is most likely to prevail in a priority contest against the case owned by corporation B. Assume that X and Y are the two cases owned by corporation A and that they bear the following relationship:

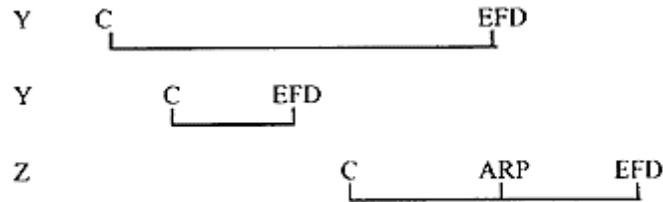


Assuming no diligence by the party X, the party Y wins versus the party X, so corporation A would want to pick the party Y. If there is diligence by the party X from a time just prior to the party Y's conception, then corporation A would want to pick the party X. If diligence could be shown for the party X from its conception to its constructive reduction to practice, then corporation A would want to pick the party X. Considering only the two corporation A cases in a vacuum, the choice is fairly easy to make (although the issue of the party X's diligence may be very difficult to determine).

However, the addition of corporation B's case to the mix complicates matters. For example, a possible scenario is illustrated below (the letter Z represents corporation B's case).



If corporation A had picked the party Y, the party Y would only win if corporation B does not show diligence from the party Z's conception (or from a date just prior to the party Y's conception). However, the party X would win whether or not corporate B proves diligence -- because the party X is the first to conceive and the first to reduce to practice. Consequently, the party X's diligence is not a factor. However, if we alter the scenario to change the party Z's dates of conception and reduction to practice as shown in the following diagram, different results might be obtained.



In this situation, the party X would lose unless it could show diligence. However, the party Y would always win versus the party Z because it is the first to conceive and the first to reduce to practice relative to the party Z. Unless the party X's showing of diligence from a time just prior to the party Y's conception is a virtual lock, corporation A would want to pick the party Y.

The scenarios above relate to the long recognized problem generally referred to as the "priority paradox." Prof. Chisum provides additional illustrations and cites numerous sources further illustrating the problems of multi-party interferences.^[79]

The bottom line is that an assignee having two or more applications or patents, each having different dates of conception, actual reduction to practice, and effective filing dates, can often do little more than make an informed guess concerning (1) which application or patent represents the prior invention as between the commonly assigned applications and/or patents and (2) which application and/or patent will best represent the assignee's interest against the adverse party.

Thus, if one recognizes that, in many cases, the primary aim of a common assignee is not so much to obtain or maintain a patent for itself as it is to cancel claims in the patent owned by the adverse real party in interest or to ensure that the adverse real party in interest does not obtain a patent containing certain claims, it should be recognized that, even if the count is perfectly definite, the common assignee should be able to run two horses in a three horse race.

XI. PATENTABILITY ISSUES ARISING IN AN INTERFERENCE CONTEXT

A. A Party Against Which Judgment is Concededly Going to be Entered is Entitled to Remain in the Interference for the Purpose of Attempting to Obtain a Judgment Against the Other Party

In Schulze v. Green, 136 F.3d 786, 45 USPQ2d 1769 (Fed. Cir. 1998) (opinion delivered by Circuit Judge Michel and joined by Circuit Judges Lourie and Rader), the court decided (correctly, in my view) the \$64 question left open in Wu v. Wang, 129 F.3d 1237, 44 USPQ2d 1641 (Fed. Cir. 1997).^[80] In Wu the court held that it was not an abuse of discretion for the board to allow a party against which a judgment was going to be entered to remain in the interference solely for the purpose of trying to obtain a judgment

against the other party. In Schulze the court held that the board must permit such a party to remain in the interference!

The party Schulze et al. filed (1) a preliminary statement that indicated that the invention defined by the count "was solely the work and invention of Schulze without the aid of Sherman"^[81] and (2) a 37 CFR 1.634 motion to correct the inventorship of its application in interference.^[82] The party Green et al. opposed the party Schulze et al.'s 37 CFR 1.634 motion on the ground that it did not "comply with the filing [sic; ?] requirements of 37 C.F.R. §§ 1.48 and 1.639, and also filed a motion requesting a testimony period on the issue of inventorship."^[83] However, the party Green et al. did not file a 37 CFR 1.635 motion for leave to file a belated 37 CFR 1.633(a)/35 USC 102(f) motion for a judgment that the party Schulze et al.'s claims designated as corresponding to the count were unpatentable because it had its inventorship wrong. The party Schulze et al. opposed the party Green et al.'s motion for a testimony period on the issue of inventorship.

The administrative patent judge dismissed the party Schulze et al.'s 37 CFR 1.634 motion without prejudice "for failure to comply with the requirements of 37 C.F.R. § 1.48..."^[84] but nonetheless "granted limited testimony on the issue of... [the party Schulze et al.'s] inventorship."^[85] This seeming inconsistency is, however, easily explainable by the fact that, "In dismissing the [party Schulze et al.'s] motion to correct inventorship, the APJ stated that '[t]he parties are reminded that a motion under 37 C.F.R. § 1.634, since it is not a preliminary motion, can be filed or refiled at any appropriate time in an interference.'"^[86] The administrative patent judge no doubt expected that the party Schulze et al. would promptly file a 37 CFR 1.634 motion that did comply with the requirements of 37 CFR 1.48. The only point of telling the party Schulze et al. that a 37 CFR 1.634 motion "can be filed or refiled at any appropriate time in an interference"^[87] was so that the party Schulze et al. would not file an unnecessary 37 CFR 1.635 motion for leave to file a belated 37 CFR 1.634 motion -- as it would have had to do if the motion in question had been under 37 CFR 1.633 instead of under 37 CFR 1.634. However, the party Schulze et al. "did not refile... [its] motion to correct inventorship under 37 C.F.R. § 1.634, nor did... [it] request reconsideration under 37 C.F.R. § 1.640(c) (1997) of the decision dismissing... [its] motion."^[88]

After decision on the preliminary motions and the party Schulze et al.'s 37 CFR 1.634 motion, the preliminary statements were opened, and it was revealed that the party Green et al. did not claim to have made the invention defined by the count before the party Schulze et al.'s filing date. Accordingly, the administrative patent judge (1) placed the party Green et al. under a 37 CFR 1.640(d)(3) order to show cause why judgment should not be entered against it on the ground of priority of invention and (2) "vacated its [sic; his? her?] order granting limited testimony on the issue of... [the party Schulze et al.'s] inventorship."^[89]

The court's opinion does not indicate how the party Green et al. responded to the 37 CFR 1.640(d)(3) order to show cause. However, it does state that:

Subsequent to issuance of the Order to Show Cause, Appellants [i.e., the party Schulze et al.] disclosed that they intended to wait until after judgment in the interference and a return to ex parte examination to refile their motion to amend inventorship under 37 C.F.R. § 1.48[e].^[90] Thereafter, Green filed a second motion for testimony on the inventorship issue, which was denied, and a [37 CFR 1.633(a)] motion for judgment that subject matter corresponding to the Count was unpatentable to Appellants under 35 U.S.C. § 102(f) for failure to recite the correct inventorship in the application.^[91]

The administrative patent judge then deferred the party Green et al.'s 37 CFR 1.633(a)/35 USC 102(f) motion for judgment to final hearing. At final hearing, a panel of the board entered a judgment (1) that all of the party Green et al.'s claims designated as corresponding to the count were invalid for lack of priority and (2) that all of the party Schulze et al.'s claims designated as corresponding to the count were unpatentable under 35 USC 102(f).

The party Schulze et al. then appealed to the Federal Circuit,

contend[ing that] they were entitled to attempt to correct inventorship upon resumption of ex parte examination, [and] arguing that Green, having lost on priority of invention, had no assertable legal interest in any impact of correct inventorship on the patentability of Appellants' [i.e., the party Schulze et al.'s] application claims.^[92]

The party Green et al. did not cross appeal from the board's judgment that its claims were invalid, but it did appear as an appellee in support of the victory that it had won below.

On appeal, the Federal Circuit held that:

The very filing of... [the party Schulze et al.'s 37 CFR 1.634] motion fairly placed the issue of the inventorship of... [the party Schulze et al.'s] application in the interference. Pursuant to section 1.634, Appellants were required to follow the filing requirements of section 1.48 in order to be eligible to correct the inventorship of their application. As the APJ correctly found, however, Appellants' motion was defective under section 1.48[,] and therefore the APJ could not adjudicate it but could only dismiss it, as he did. A defective motion under the regulation cannot support adjudication of the inventorship issue during the interference. Nevertheless, for the reasons stated post, the inventorship issue, having been fairly raised by Appellants, was still within the scope of issues for decision in the interference even after the APJ dismissed the defective motion.^[93]

In addition, and perhaps even more interestingly, the court said that:

Once an issue has been fairly raised during the course of an interference proceeding, the facts relating to that issue should be fully developed so the issue can be properly adjudicated, either by the APJ or by the Board at Final Hearing.^[94]

Query: Does that mean that the board has to decide every issue (1) raised by a party or (2) raised sua sponte by an APJ under 37 CFR 1.641?!^[95] In this case, the inventorship issue was apparently the party Green et al.'s only issue, but in many interferences a party will file a plurality of 37 CFR 1.633(a) motions asserting that some or all of the opposing party's claims are invalid or unpatentable (depending on whether the opposing party is a patentee or an applicant) on a plurality of grounds. It is the practice of many of the administrative patent judges, if they grant one of those motions, to dismiss the others as moot. Of course, that means that, if the decision granting that one of the 37 CFR 1.633(a) motions is reversed at final hearing or during court review, the case has to be remanded to the administrative patent judge to decide the dismissed motions -- which is a royal waste of time. On the other hand, if the administrative patent judges really have to decide all of the 37 CFR 1.633(a) motions, that will impose an additional obligation on them and, no doubt, slow down interference practice still further.

In this case, the court agreed with the party Green et al. (1) that the party Schulze et al. was not entitled to wait until post-interference ex parte practice to attempt to cure its inventorship problem and (2) that the party Green et al. had an "assertable legal interest" that entitled it to continue to pursue the inventorship issue even though judgment against it was proper. Nonetheless, the court held that the board had abused its discretion by entering judgment against the party Schulze et al. because the board had not given the party Schulze et al. fair warning (1) that it had to promptly file a corrected version of its 37 CFR 1.634 motion and (2) that, if it failed to do so, judgment would be entered against it. Accordingly, the court vacated the judgment against the party Schulze et al. and remanded the case to the board with instructions "to set a fixed period of time for... [the party Schulze et al.] to reform and refile... [its 37 CFR 1.634] motion."^[96] The court said (1) that, if the party Schulze et al. failed to do so, final judgment could be reentered against it and (2) that if the party Schulze et al. did file a procedurally proper 37 CFR 1.634 motion, the board was to "decide whether inventorship is correct^[97] or is correctable and therefore whether the application claims are patentable."^[98] Interestingly, the court specifically mandated that, "[i]n no event... shall the case be returned to ex parte examination respecting the inventorship issue raised in the interference."^[99]

B. The Court Suggests that "Technical Deficiencies" in Meeting the Formal Requirements of the Rules Governing Continuation Applications are "Not Grounds of Collateral Attack"

In Hyatt v. Boone, 146 F.3d 1348, 47 USPQ2d 1128 (Fed. Cir. 1998) (opinion delivered

by Circuit Judge Newman for a panel that also consisted of Circuit Judges Michel and Plager), each party relied for priority on a chain of continuation and continuation-in-part applications. Accordingly to the Federal Circuit, "Hyatt objected to the action of the administrative patent judge in according Boone the benefit of the July 19, 1971 filing date of application Serial No. 163,565 (the '565 application), the first of ten applications culminating in the '541 application in interference."^[100] The party Hyatt's argument was that two of the applications in the party Boone's chain of ten applications were "invalid continuation applications, thus breaking the chain of priority"^[101] because those applications, which were filed under the "streamlined" procedures of 37 CFR 1.60 as it then read, consisted of (1) photocopies of the prior specification and oath and (2) amended claims. According to the party Hyatt, the presence of the amended claims in the continuation applications as filed meant that the continuation applications had to be accompanied by a new oath, not a photocopy of the previous oath. The court did not explain how the board dealt with the party Hyatt's argument, which seems pretty good to me. Moreover, it did not affirm the board's decision in that regard. Instead, it ducked the issue, reasoning as follows:

No objection to compliance with Rule 60 was raised by the PTO at the time these applications were filed and prosecuted. The issue here raised is not one of substantive continuity of disclosure, but solely of whether a photocopy of the prior oath, instead of a new oath, was acceptable for filing, when it was in fact accepted for filing. Any technical deficiency in meeting the formal requirements of Rule 60 must be viewed in light of the agency's acceptance of the applications as in compliance with the Rule. Regularity of routine administrative procedures is presumed, and departure therefrom, should such have occurred, is not grounds of collateral attack.^[102]

Comments: The fact that the examiner did not raise the issue should have been utterly irrelevant! Many issues (notably including most patentability issues raised via 37 CFR 1.633(a) motions) litigated in interferences were not raised by the examiner. The question in an interference is, or should be, whether there is merit to the movant's motion, not whether the examiner raised the same issue.

As for the court's statement that a deficiency in meeting the requirements for continuation applications cannot be used as a basis for a ruling that a party is not entitled to the benefit of the filing date of an earlier application, I (a) strongly disagree with it, (b) think that is contrary to supposedly binding precedent,^[103] and (c) wonder how far the court would push that position. With respect to the later point, I submit two non-hypotheticals.^[104] Suppose that one of Boone's continuation "applications" had been filed two days after the prior application had gone abandoned, but the PTO never raised the issue. Would that have been a "technical deficiency" that would not be "grounds of collateral attack"?^[105] Or suppose that one of Boone's "continuation" applications was actually a continuation-in-part application (i.e., it contained what was indisputably new matter), but Boone had not filed a new oath and the PTO never raised the issue. Would that have been a "technical deficiency" that would not be "grounds of collateral attack"?

C. Ex-Post Facto Tests Can Be Used to Prove the Adequacy of Enablement (or, Presumably, the Inadequacy of Enablement)

In Bruning v. Hirose, 161 F.3d 681, 48 USPQ2d 1934 (Fed. Cir. 1998) (opinion delivered by Circuit Judge Rader for a panel that also consisted of Circuit Judges Plager and Bryson), the court endorsed the use of ex-post facto tests to prove the adequacy of enablement. Specifically, the party Hirose had challenged the adequacy of the enablement of the party Bruning's patent in interference. According to the court:

The Board based its enablement decision primarily upon design tests conducted during the interference proceeding to demonstrate the relative ease of developing a suitable lens assembly. Specifically, the Board pointed to tests by Bruning's expert witness Phillips to support its conclusion that [the] disclosure of the '750 patent was enabling. According to the Board, the Phillips tests demonstrated that a "very good" fused silica lens, exemplifying the projection lens of the Bruning application, could be developed using "a known Tropel lens of multiple materials" as a starting point and "an in-house version of a commercially available lens design computer program" in less than 8 hours. The Board concluded that this experiment "show[ed] no undue experimentation would have been required in the design of a lens exemplary of [the Bruning lens]." ^[106]

The party Hirose appealed, and the court affirmed. It described the party Bruning's evidence as above, stated that the party Hirose had "presented little, if any, record evidence to support its argument that Phillips was extraordinarily skilled in the art and that his computer program had been modified," ^[107] and, most importantly, concluded that "This court honors the Board's assessment of this form of evidence." ^[108]

Comment: I have relied on tests similar to those that carried the day on the enablement issue and had the results challenged as impermissible ex post facto evidence. Of course, such tests are usually the only type of evidence (other than opinions by expert witnesses) that one can offer on such issues. Accordingly, it is nice to have a precedential opinion from the court specifically endorsing the use of such evidence.

XII. COURT REVIEW OF DECISIONS IN INTERFERENCES

Nothing relevant this year.

XIII. POST-INTERFERENCE PRACTICE

- A. The Fact That a Claim was "Amended" to Delete a Limitation That was Previously Added to a Claim to Overcome Prior Art Does Not Vitate the Estoppel Effect of the Amendment to the Claim

Bai v. L&L Wings, Inc., 160 F.3d 1350, 48 USPQ2d 1674 (Fed. Cir. 1998) (opinion delivered by Circuit Judge Lourie for a panel that also consisted of Circuit Judges Rich and Rader), held that the fact that a count was "amended" to delete a limitation that was previously added to a claim to overcome prior art does not vitiate the estoppel effect of the amendment to the claim.

During pre-interference ex parte prosecution, Bai added a limitation (that a particular part was "hemispherical" in shape) to claim 1 in partial response to a rejection over the prior art. The examiner then allowed that claim. At some subsequent time, Bai was involved in an interference.^[109] Regrettably, the opinion does not indicate whether Bai was involved in the interference as a patentee or as an applicant. However, according to counsel for L&L (1) Bai was involved as a patentee, and (2) he did not file an application to reissue the patent during the interference.

During the interference, Bai's opponent^[110] moved successfully to substitute a count that did not contain the hemispherical limitation.^[111]

In the infringement action, the district court determined that Bai's addition of the hemispherical limitation to his claim created file wrapper estoppel that precluded a holding that L&L infringed under the doctrine of equivalents. On appeal, the Federal Circuit affirmed. According to it:

As indicated above, it is clear to us that the term "hemispherical" was inserted to overcome the prior art rejection. The subsequent action of the examiner in the interference did not undo that fact. It merely responded to the motion by the opposing party to broaden the count, not the claim, for purposes of the interference, presumably to enable the opponent to present proof of priority with respect to subject matter broadly defined to encompass interfering subject matter, including that which was not hemispherical. The reformulation of the interference count was therefore not a determination that Bai's claim was allowable over the prior art without the term "hemispherical."^[112]

On appeal, Bai argued that he should not be estopped to obtain a holding that L&L's device infringed under the doctrine of equivalents because the addition of that limitation to claim 1 was unnecessary to overcome the prior art rejection. Predictably, that argument did not fly. According to the court:

It is now too late in the game for us to analyze whether Bai's addition of the term "hemispherical" was necessary to gain allowance of his claim. When an applicant disagrees with the examiner's prior art rejection and fails to prevail by argument, he has two choices: either to amend the claim or to appeal the rejection. He may not both make the amendment and then challenge its necessity in a subsequent infringement action on the allowed claim. Bai made his choice and amended the claim. See Warner-

Jenkinson, 520 U.S. at ___ n.7, 117 S.Ct. 1040, 1051 n.7, 41 USPQ2d at 1872-73 n.7 ("We do not suggest that, where a change is made to overcome an objection based on the prior art, a court is free to review the correctness of that objection when deciding whether to apply prosecution history estoppel. . . . [S]uch concerns are properly addressed on direct appeal from the denial of a patent, and will not be revisited in an infringement action"). A patentee does not have a second chance to relitigate the merits of a prior art rejection that caused an amendment to be made to gain allowance of the claims.^[113]

Comment: In this case, of course, the fact that the hemispherical limitation was unnecessary to the validity of Bai's claims was made glaringly evident by what happened during the interference.^[114] Thus, one might think that Bai had "a second chance to relitigate the merits of... [the] prior art rejection..." in the interference -- that is, that Bai could have filed an application to reissue his patent with a claim of the same scope as the substituted count and a motion to add the reissue application to the interference. However, there were presumably two impediments to his doing so: the two year bar of 35 USC 251 ¶ 4^[115] and the newly reinvigorated doctrine of recapture estoppel. As to the latter, see In re Clement, 131 F.3d 1464, 45 USPQ2d 1161 (Fed. Cir. 1997); and Hester Industries, Inc. v. Stein, Inc., 142 F.3d 1472, 46 USPQ2d 1641 (Fed. Cir. 1998).

XIV. RELATIONSHIP OF INTERFERENCE PROCEEDINGS TO COURT PROCEEDINGS

A. A District Court in an Infringement Action is Not Bound By the PTO's Action in Rejecting an Identical Claim Copied Pursuant to 37 CFR 1.607(a)(4)

An applicant who wishes to provoke an interference with a patent is required by 37 CFR 1.607(a)(2) to "Present[] a proposed count..." and by 37 CFR 1.607(a)(4) to:

Present[] at least one claim corresponding to the proposed count or identify[] at least one claim already pending in the application that corresponds to the proposed count....

However, compliance with those requirements does not guarantee that an interference will be declared. The examiner may reject that claim or those claims, and, if the applicant never succeeds in obtaining a tentative indication of allowability of at least one claim^[116] that interferes with at least one claim in the patent within the meaning of 37 CFR 1.601(n), no interference will ever be declared. That fact can be particularly frustrating for the applicant if his or her claims are rejected over prior art that is also available time wise against the patentee.^[117]

Kreepy Krauly U.S.A., Inc. v. Sta-Rite Industries, Inc., ___ F.3d ___, ___ USPQ2d ___ (Fed. Cir. April 24, 1998) (non-precedential) (opinion delivered by Circuit Judge Bryson for a panel that also consisted of Circuit Judges Newman and Gajarsa), involved just such

a situation -- with the added fillip that the patentee (Sta-Rite) sued the applicant's licensee (Kreepy Krauly) for infringement of the claim that the applicant (Sebor) had copied! In defense, Kreepy Krauly argued that, "Because the PTO rejected a claim in a pending Sebor patent application that is identical to claim 33 of the '659 patent [the only claim on appeal],... the PTO has effectively held that claim 33 is invalid."^[118]

Kreepy Krauly's argument failed on two grounds.

First, the appellate court held that Sebor was precluded from asserting the invalidity of the claim in suit by the doctrine of assignor estoppel and that Kreepy Krauly was similarly barred from raising the argument because it was in privity with Sebor.

Second, and of more general interest, the court said that:

[Kreepy Krauly's] argument ignores the presumption of validity accorded to issued U.S. patents. Even if validity could be raised in this proceeding [i.e., even if assignor estoppel did not apply], the fact that the PTO found a similar [sic; identical!] claim unpatentable would not require the district court to reach the same conclusion with respect to claim 33 of the '659 patent.^[119]

Comment: Kreepy Krauly didn't argue that the district court was "require[d]... to reach the same conclusion..." as the PTO. It only argued that "the district court erred by failing to accord proper weight to the Patent and Trademark Office's 'post-issuance holding that the claim [i.e., the identical claim in Sebor's application] is unpatentable.'"^[120] What exactly Kreepy Krauly meant by that is unclear. Apparently the district court permitted evidence of the PTO's holding to be introduced during the infringement trial, which presumably means that it accorded the PTO's holding some weight. It just disagreed with what the PTO had held -- as was its right.

XV. CONCLUSION

The most important interference cases of the year all involved the use of interferences as an offensive weapon to take down a competitor's patent on non-priority grounds.

In Schulze v. Green^[121] the court held that the hunter is entitled to stay in the interference in order to obtain a judgment against the hunted even though the hunter is concededly mortally wounded.^[122] In Bruning v. Hirose^[123] the court held that, with a possible but infrequently relevant exception, the burden of proof on the hunter is the preponderance of the evidence, not clear and convincing evidence. Finally, in Barton v. Adang^[124] the court held that a hunter can use two cases to hunt its prey -- at least through decision on preliminary motions. When you combine those cases with the basic fact that interferences offer a jury-free environment to a company anxious to take down a competitor's patent or

to prevent a competitor's application from maturing into a patent, this was a very good year for cost-conscious, patent-savvy companies.

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Endnotes

[1]. Copyright 1999 by Charles L. Gholz; Oblon, Spivak, McClelland, Maier, & Neustadt, P.C.; Arlington, Virginia. Portions of this article have been published previously by Patent Resources Group, Inc. in the chapter entitled "Interferences" of the materials for PRG's programs on Federal Circuit patent law. I acknowledge with thanks the contributions of my colleague, former Administrative Patent Judge Alton D. Rollins.

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[3]. Federal Circuit Rule 47.8 divides the opinions and orders of the court into those that are "precedential" (i.e., those that may be cited to the court as precedent) and those that are "non-precedential" (i.e., those that may not be cited to the court as precedent). The non-precedential opinions were formerly called "unpublished" opinions, but the court changed its terminology after noting that many of its "unpublished" opinions were in fact published in the *United States Patents Quarterly*.

The Federal Circuit attempts to discourage citation of its non-precedential opinions to its "feeder" courts and agencies. See, e.g., *Hamilton v. Brown*, 39 F.3d 1574 (Fed. Cir. 1994). However, the non-precedential opinions of the Federal Circuit have at least the same status as law review articles written by the judges of the Federal Circuit, and in practice some of the administrative patent judges seem to welcome citation of the non-precedential opinions of the Federal Circuit. After all, what the court did once gives at least some guidance to what the court might do again, and the administrative patent judges can use language out of the non-precedential opinions even if they cannot cite them.

[4]. See also my previous articles by the same title at 79 JPTOS 271 (1997), 78 JPTOS 550 (1996), 77 JPTOS 427 (1995), 76 JPTOS 649 (1994), 75 JPTOS 448 (1993), 73 JPTOS 700 (1991), 71 JPTOS 439 (1989), and 69 JPTOS 657 (1987).

[5]. The fact that I publish this review every year in a similar format accounts for the sections which read in their entirety "Nothing relevant this year."

[22]. It should be noted that, since the party Herskowitz et al.'s filing date was after the party Post et al.'s issue date, the party Herskowitz et al. had had to prove the facts relating to its priority case by the clear-and-convincing standard.

[23]. Slip opinion at 3, ___ F.3d at ___, ___ USPQ2d at ___.

It is interesting to note that, despite the fact that the party Herskowitz et al.'s effective filing date was at least thirty-three months after the date of its three actual reductions to practice (the court is, once again, unclear as to the crucial details), the court does not indicate that the party Post et al. argued that the party Herskowitz et al. had suppressed or concealed the invention.

[24]. Slip opinion at 5, ___ F.3d at ___, ___ USPQ2d at ___.

[25]. 154 F.3d at 1332, 47 USPQ2d 1905.

[26]. 154 F.3d at 1332, 47 USPQ2d 1905.

[27]. Cooper involved an actual reduction to practice. However, inurement can also come up in the constructive reduction to practice context. See Sewall v. Walters, 21 F.3d 411, 30 USPQ2d 1356 (Fed. Cir. 1994), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 77 JPTOS 427, 429-31 (1995).

[28]. 154 F.3d at 1332, 47 USPQ2d at 1905.

[29]. So called after Peeler v. Miller, 535 F.2d 647, 653-54, 190 USPQ 117, 122 (CCPA 1976) (Rich, J.). See also Shindelar v. Holdeman, 628 F.2d 1337, 207 USPQ 112 (CCPA 1980); and Correge v. Murphy, 705 F.2d 1326, 217 USPQ 753 (Fed. Cir. 1983).

[30]. See generally Gholz, "Establishing 'the Time the Invention Was Made'" in Non-Obviousness - The Ultimate Condition of Patentability (Witherspoon Ed. 1978).

[31]. In re Lukach, 442 F.2d 967, 169 USPQ 795 (CCPA 1971).

[32]. Weil v. Fritz, 572 F.2d 856, 865 n.16, 196 USPQ 600, 608 n.16 (CCPA 1978).

[33]. Of course, a panel of the court is not supposed to be able to overrule either CCPA precedent or the precedent of an earlier Federal Circuit panel. South Corp. v. United States, 690 F.2d 1368, 215 USPQ 657 (Fed. Cir. 1982) (in banc). However, panel decisions of the court do have that practical effect from time to time. See, e.g., my discussions of Price v. Symsek, 988 F.2d 1187, 26 USPQ2d 1031 (Fed. Cir. 1993), in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 76 JPTOS 649, 665-67 (1994), and Rowe v. Dror, 112 F.3d 473, 42 USPQ2d 1550 (Fed. Cir. 1997), in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 80 JPTOS 321, 342-45 (1998).

[34]. 146 F.3d at 1351, 47 USPQ2d at 1129.

[35]. 146 F.3d at 1352, 47 USPQ2d at 1130. The court noted without comment that "the Board did not decide the question of enablement [i.e., whether the party Hyatt was also not entitled to the benefit of the filing date of its 1970 application because that application did not meet the enablement requirement as to subject matter within the scope of the count]." 146 F.3d at 1352, 47 USPQ2d at 1130.

[36]. The court referred to those claims as "the relevant claims." 146 F.3d at 1351, 47 USPQ2d at 1129.

[37]. However if the court had reversed the board's holding that the party Hyatt was not entitled to the benefit of the filing date of its 1970 application because of its lack of the "requisite written description...." it presumably would have remanded the case to the board with instructions to decide "the question of enablement." See footnote 35, supra.

[38]. 146 F.3d at 1352, 47 USPQ2d at 1130; footnotes omitted.

[39]. 146 F.3d at 1353-54, 47 USPQ2d at 1131.

[40]. See generally Gholz and Pope, The Impact of Statutory Invention Registrations on Interference Practice, 67 JPTOS 645 (1985).

[41]. 146 F.3d at 1356, 47 USPQ2d at 1133.

[42]. 146 F.3d at 1357, 47 USPQ2d at 1134.

[43]. 146 F.3d at 1357, 47 USPQ2d at 1134.

[44]. 159 F.3d at 1338, 48 USPQ2d at 1056.

[45]. The opinion says that "Slip Track's efforts to introduce evidence showing that it had invented the claimed subject matter before Paquette was dismissed as outside the scope of the reexamination proceeding." 159 F.3d at 1338, 48 USPQ2d at 1056. However, it is generally true (i.e., true not only in a reexamination proceeding) that a 37 CFR 1.131 declaration cannot be used to antedate a reference that "claim[s] the same patentable invention, as defined in § 1.601(n) [as the claim in question]...." 37 CFR 1.131(a).

[46]. 159 F.3d at 1341, 48 USPQ2d at 1058.

[47]. 159 F.3d at 1341, 48 USPQ2d at 1058.

[48]. 159 F.3d at 1341, 48 USPQ2d at 1058.

[49]. Cf. In re Altenpohl, 500 F.2d 1151, 183 USPQ2d 38 (CCPA 1974); Slimfold Mfg.

Co. v. Kinkead Industries Inc., 810 F.2d 1113, 1116, 1 USPQ2d 1563, 1566 (Fed. Cir. 1987); and particularly In re Bose, 687 F.2d 432, 435 n.12, 215 USPQ 1, 4 n.12 (CCPA 1982) (concurring opinion of Judge Miller, joined by Judge Baldwin).

[50]. In re Metz, ___ F.3d ___, ___ USPQ2d ___ (Fed. Cir. September 22, 1998) (non-precedential), is a recent example of the use of this technique.

[51]. The court said only that "The application that matured into the Paquette patent was filed several months earlier than the Brady patent application." 159 F.3d at 1338, 48 USPQ2d at 1056. However, according to the Official Gazette, the Brady patent matured from an application filed July 26, 1990, and the Paquette patent matured from an application which was a continuation of an application which was filed on February 09, 1990. Accordingly, Brady would apparently have to file a 37 CFR 1.608(b) showing.

[52]. Ethicon, Inc. v. Quigg, 849 F.2d 1422, 7 USPQ2d 1152 (Fed. Cir. 1988). However, I believe that those paragraphs are inconsistent with 35 USC 305 as interpreted in Ethicon and therefore "inconsistent with law" within the meaning of 35 USC 6(a).

[53]. 161 F.3d at 687, 48 USPQ2d at 1940.

[54]. 21 USPQ2d at 1027. See also Okada v. Hitotsumachi, 16 USPQ2d 1789, 1790 (Comm'r 1990), and In re Morris, 127 F.3d 1048, 1054, 44 USPQ2d 1023, 1027-1028 (Fed Cir. 1997). Lamont and Okada both hold that 35 USC 282's presumption of validity does not apply to a patent involved in an interference without going the next step to specifically hold that the weight of the burden of proof on an interferent asserting invalidity of a patent claim is the preponderance of the evidence. Thus Schrag arguably slightly extends Lamont and Hitotsumachi. As for Morris, it states broadly that "No...presumption [of validity] attaches before the PTO," but it also does not go the next step to indicate how that plays out in litigation before the PTO.

[55]. 27 USPQ2d at 1406-07; one footnote omitted.

[56]. Bruning did not involve an application application interference. Thus, Behr apparently still states the applicable standard of proof faced by a 37 CFR 1.633(a) movant in an application-application interference.

[57]. 161 F.3d at 685, 48 USPQ2d at 1938. It is not all clear why the court felt it necessary to make this distinction. Since the involved patent and application were copending, the court's statement concerning non-copending patents and applications was sheer dictum!

[58]. 161 F.3d at 684, 48 USPQ2d at 1937.

[59]. 161 F.3d at 684, 48 USPQ2d at 1937.

[60]. See the opinions collected in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 76 JPTOS 649, 665 n.68 (1994).

[61].The board seems to treat derivation from an opponent as a priority issue and derivation from a third party as a patentability issue. Concerning how the board treats derivation from third parties, see generally Kramer v. Ballard, 11 USPQ2d 1148 (Comm'r 1989).

[62].988 F.2d at 1190-91, 26 USPQ2d at 1033.

[63].27 F.3d at 541-42, 30 USPQ2d at 1864.

[64].161 F.3d at 684, 48 USPQ2d at 1937.

[65].999 F.2d 517, 27 USPQ2d 1418 (Fed. Cir. 1993).

[66].27 USPQ at 1406-07 (PTOBPAI 1992) (expanded panel).

[67].999 F.2d at 519 n.1, 27 USPQ2d at 1419 n.1.

[68].As noted above, the Price panel of the court did apply the standard of clear and convincing evidence to the non-copending applicant's charge of derivation by the patentees. The Price court noted that derivation and prior invention, while different concepts, were closely related concepts involving similar evidentiary showings. The Price court's holding may be compared with the CCPA's holdings in Davis v. Reddy, 620 F.2d 885, 888-89, 205 USPQ 1065, 1068 (CCPA 1980) (Rich J.), and Mead v. McKirnan, 585 F.2d 504, 507, 199 USPQ 513, 515 (CCPA 1978) (Rich J.), that the preponderance of evidence standard of proof applies where the issue is derivation. However, both Reddy and Mead, unlike Price, involved a patent and a copending application. Moreover, in Mead, it was the patentee McKirnan who asserted derivation by the applicant. However, in Davis, the applicant Reddy asserted derivation by the patentee Davis. Oddly enough, the Price opinion cited both Davis and Mead in discussing derivation and priority, but it did not discuss or distinguish either of those opinions in its discussion concerning the burden of proof. The Price opinion's treatment of the derivation issue appears to be consistent with Egnot v. Looker, 387 F.2d 680, 683, 687, 156 USPQ 136, 139, 141-42 (CCPA 1967), which did involve assertions of derivation that were made by an applicant who filed after the opponent's patent issued. Thus, the state of the law appears to be that derivation by an opponent is governed by the preponderance standard when patent/application copendency is present (Davis, Mead) and by the clear and convincing standard when copendency is absent (Price, Egnot). The Price-Egnot rule is consistent with the rule of Behr and Kubota that the preponderance rule applies to 37 CFR 1.633 motions (with the exception of motions based on fraud or inequitable conduct) because derivation by an opponent is not an issue that can be raised under 37 CFR 1.633.

[69].Although not articulated by the cases (so far as I am aware), there are arguably other reasons for imposing a higher burden of proof on interferences that did not file their patent applications promptly after making their inventions. As articulated by Paul Morgan, in-house interference specialist at Xerox:

Although imposing a higher burden of proof for non-priority issues here may not be directly logical for purely evidentiary reasons, there are public policy reasons to impose a higher burden of proof on any issue on a party that is so undiligent as to not even file its patent application until after the other party's patent has already issued on the invention. First, there is old and strong judicial disfavor of interference parties' delaying until "spurred into activity" by seeing another's patent issue. There are other legally well established public policy reasons to punish delay in general. 35 USC 135(b) sets an absolute one year bar against "late claiming" of any issued patent claims, now not even limited to interferences per In re McGrew, 120 F.3d 1236, 43 USPQ2d 1633 (Fed. Cir. 1997). It is as old as English equity that those who "sleep on their rights" may be rudely awakened. It is older than our Constitution that a primary purpose of any patent system is early public disclosure of technology to advance the useful arts. As spelled out by the Federal Circuit in, e.g., W.L. Gore & Associates v. Garlock, Inc., 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), a later inventor of a process invention who promptly files will be clearly legally favored over a prior inventor who keeps the process from the public. Interference law already directly shifts, and thus greatly increases, the burden of proof against late filers by a "presumption" of "suppression or concealment" after some (undefined) period of delay following an actual reduction to practice. Even after In re Alappat, 33 F.3d 1526, 31 USPQ2d 1545 (Fed. Cir. 1994) (in banc), the CAFC has another burden-increasing presumption, of laches, for more than 6 years of delay in infringement suits. Last but not least, editorially speaking, I suspect that most such belated-filing-based interferences could be avoided by more stringent reviews of grossly junior applicant's requisite 37 CFR 1.608 initial prima facie priority proofs, thus leaving such ancillary non priority patentability issues for ex parte prosecution, where they used to be, and as many corporate patent attorneys would prefer, rather than having an "interference" on such issues.

However, all of Paul's reasons key off delay in general. Only the reason that I articulate in the text keys off the fact that an interferent did not file its application until after its opponent's application had matured into a patent. Hence, I believe that it is the only reason that supports the imposition of a higher burden of proof in this particular case.

[70].I currently have an interference in which I represent an applicant and the other party is involved in the interference on eleven patents. See Gholz, Multi-Patent Interference, 5 Intellectual Property Today No. 12 at page 6 (1998).

[71].161 F.3d at 685, 48 USPQ2d at 1938.

[72].In the interest of complete candor, I note that my colleague Al Rollins and I were co-counsel for the party Barton et al.

[73].35 USC 135(a) reads in relevant part as follows:

Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, an interference may be declared.... The Board of Patent Appeals and Interferences shall determine questions of priority of the inventions and may determine questions of patentability.

[74].___ F.3d at ___, 49 USPQ2d at 1132.

[75].___ F.3d at ___, 49 USPQ2d at 1132.

[76].___ F.3d at ___, 49 USPQ2d at 1133-34. The court's emphasis on the completion of discovery is surprising in view of the fact that there really is no meaningful discovery in interferences. See Gholz, Patent Interferences -- Big Ticket Litigation With No Effective Discovery, 4 Intellectual Property Today No. 9 at page 10 (1997).

[77].In re McGrew, 120 F.3d 1236, 1237, 43 USPQ2d 1633, 1634 (Fed. Cir. 1997) (Rich. J.).

[78].In the interest of complete candor, I note that Al Rollins I have another case pending in which we argue that a party such as the party Barton et al. should be permitted to stay in the interference to the bitter end even if there is nothing wrong with the count simply because we can't tell which of our targeting applications has the better chance of taking down the targeted patent.

[79].3 Chisum on Patents §10.03[2] pages 10-45 through 10-47 (1995).

[80].Wu is discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 80 JPTOS 321 (1998) at pages 354 58.

[81].136 F.3d at 788, 45 USPQ2d at 1771.

[82].Of course, inventorship of the Schulze et al. application could still have been correct despite the fact that Schulze was the sole inventor of the subject matter defined by the count if Sherman had been correctly named as a coinventor of at least one claim contained in the Schulze et al. application. See Ethicon, Inc. v. United States Surgical Corp., 135 F.3d 1456, 45 USPQ2d 1545 (Fed. Cir. 1998). However, counsel for the party Schulze et al. may have decided that that was not the case.

[83].136 F.3d at 788, 45 USPQ2d at 1771.

One of the minor mysteries of this case is why the party Green et al. filed a motion for a testimony period on the issue of inventorship. The party Schulze et al. had admitted that

it had its inventorship wrong! How could the party Green et al. have hoped to have improved on that evidence?

[84].136 F.3d at 788, 45 USPQ2d at 1771.

[85].136 F.3d at 788, 45 USPQ2d at 1771.

[86].136 F.3d at 788, 45 USPQ2d at 1771; emphasis in the original.

[87].136 F.3d at 788, 45 USPQ2d at 1771; emphasis deleted.

[88].136 F.3d at 788, 45 USPQ2d at 1771.

[89].136 F.3d at 788, 45 USPQ2d at 1772.

[90].Actually, once the interference was terminated, Schulze et al. would have filed a 37 CFR 1.48 petition, not a 37 CFR 1.634 motion.

[91].136 F.3d at 788-89, 45 USPQ2d at 1772.

Since the 37 CFR 1.633(a)/35 USC 102(f) motion was grossly belated, the party Green et al. must also have filed a 37 CFR 1.635 motion for leave to file it belatedly.

[92].136 F.3d at 789, 45 USPQ2d at 1772.

[93].136 F.3d at 790, 45 USPQ2d at 1773.

[94].136 F.3d at 790, 45 USPQ2d at 1773.

[95].One of my partners has suggested to me that the court's holding only applies to patentability issues. The issue involved in this case was, of course, a patentability issue, and the court could limit its broad language to such issues. However, there is nothing in the court's opinion to suggest that it meant to so limit its holding.

[96].136 F.3d at 792, 45 USPQ2d at 1775.

[97].Since the party Schulze et al. had admitted that it had its inventorship wrong, I don't see how the board could "decide... [that the] inventorship [of the Schulze et al. application] is correct..."!

[98].136 F.3d at 792, 45 USPQ2d at 1775.

[99].136 F.3d at 792, 45 USPQ2d at 1775; emphasis in the original.

[100].146 F.3d at 1355, 47 USPQ2d at 1132. Although the court referred to "the action of the administrative patent judge" (who had presumably either granted at 37 CFR 1.633(f)

motion filed by the party Boone or denied a 37 CFR 1.633(g) motion filed by the party Hyatt), the board presumably affirmed the APJ's action at final hearing, for otherwise the issue would not have been on appeal. Accordingly, the party Hyatt was actually "object[ing] to" (i.e., appealing from) the board's decision affirming the APJ's decision.

[101].146 F.3d at 1355, 47 USPQ2d at 1132.

[102].146 F.3d at 1355, 47 USPQ2d at 1133.

[103].See generally Gholz, Patent and Trademark Jurisdiction of the Court of Customs and Patent Appeals, 55 JPOS 69 (1973) at 74-85.

[104].By "non-hypotheticals" I mean that I have seen both of those situations--one in an infringement action and one in an interference.

[105].Apparently not. See Baxter International, Inc. v. McGaw, Inc., 149 F.3d 1321, 1332-34, 47 USPQ2d 1225, 1233-35 (Fed. Cir. 1998).

[106].161 F.3d at 686, 48 USPQ2d at 1939; interpolations by the court.

[107].161 F.3d at 686, 48 USPQ2d at 1939.

[108].161 F.3d at 686, 48 USPQ2d at 1939. Interestingly, the court did not discuss the obvious tension between the board's evaluation of the ex post facto evidence with regard to the enablement issue and the court's discussion of the evidence relating to a "best mode" issue:

Specifically, although the Board stated that Bruning knew many of the details of the lens at the time the application was filed, it also noted that he had expressed concern in his notebooks over certain characteristics of the elements. Significantly, after filing the application, the lens assembly required additional testing and modifications before it would work for its intended purpose. [161 F.3d at 687, 48 USPQ2d at 1939; emphasis supplied.]

Perhaps that is an instance where "those who can't do, teach others [i.e., the ex post facto witness Phillips] how to do"!

[109].Bai's patent issued in 1977. According to counsel for L&L, the interference was an "old rule" interference -- i.e., that it was conducted under the pre-1984 statute and rules.

[110].Bai's opponent is not identified in the court's opinion. However, according to counsel for L&L, it was not L&L's assignor.

[111].The court's opinion says that Bai's opponent "delet[ed]... the term 'hemispherical'

from the interference count...." 160 F.3d at 1355 56, 48 USPQ2d at 1678. However, that is not the way that interferences work. Counts are not "amended." Rather, one count is substituted for another. What apparently actually happened is that Bai's opponent moved under 37 CFR 1.633(c)(1) or its predecessor (i.e., 37 CFR 1.231(a)(2)) to substitute a count that did not contain the hemispherical limitation.

[112].160 F.3d at 1356, 48 USPQ2d at 1678. Note that the determination that the hemispherical limitation could be deleted from the count meant that the primary examiner who granted the motion to substitute a new count believed that the new count defined subject matter that was patentable over the prior art without that limitation. See, e.g., Davis v. Uke, 27 USPQ2d 1180, 1186 n.23 (Comm'r 1993) ("It is appropriate to designate non-allowable claims of an application as corresponding to a count, but the scope of the count should not include non-allowable subject matter.")

[113].160 F.3d at 1356, 48 USPQ2d at 1678.

[114].See footnote 112, supra.

[115].It is now a rare interference which is actually declared within two years of the issuance of the target patent. However, if memory serves, that used to be more common in the 1977-1984 time frame.

[116].By a "tentative indication of allowability" I mean that the examiner's indication of allowability is subject to review in the interference by means of a 37 CFR 1.633(a) motion.

[117].Comment: In my view it would be highly desirable for the PTO to institute interferences in this situation. If one or more of the patentee's claims is or are invalid over prior art that is also available time wise against the applicant, surely there is a public interest in permitting the applicant to "take down" the patentee's claim or claims in a jury-free environment and at a reasonable cost even if the applicant cannot hope to obtain the same claim himself or herself. See generally Gholz, Is the Declaration of an Interference a Ticket to Ride to the End of the Line?, 5 Intellectual Property Today No. 5 at page 31 (1998).

[118].Slip opinion at 14, ___ USPQ2d at ___.

[119].Slip opinion at 14, ___ USPQ2d at ___.

[120].Slip opinion at 14, ___ USPQ2d at ___.

[121].136 F.3d 786, 45 USPQ2d 1769 (Fed. Cir. 1998).

[122].See generally Gholz, Is the Declaration of an Interference a Ticket to Ride to the End of the Line?, 5 Intellectual Property Today No. 5 at page 31 (1998).

[\[123\]](#).161 F.3d 681, 48 USPQ2d 1934 (Fed. Cir. 1998).

[\[124\]](#).___ F.3d ___, 49 USPQ2d 1128 (Fed. Cir. 1998).