

WHAT TO DO IF YOUR CLIENT BUYS YOUR OPPONENT'S CASE IN INTERFERENCE LATE IN THE GAME

By

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Introduction

Many interferences are settled by one party's buying the other party's application or patent in interference. When that happens, counsel for the buying party is of course required to inform the APJ that his or her client is now the dominus litis--that is, according to Black's Law Dictionary (4th edition 1957):

The master of the suit; *i.e.*, the person who was really and directly interested in the suit as a party, as distinguished from his attorney or advocate. But the term is also applied to one who, though not originally a party, has made himself such, by intervention or otherwise, and has assumed entire control and responsibility for one side, and is treated by the court as liable for costs. Virginia Electric & Power Co. v. Bowers, 181 Va, 542, 25 S.E.2d 361, 363.

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It is also said that the attorney himself, when the cause has been tried, becomes the *dominus litis*. Vicat.

At that point, the APJ normally gives the buying party a short period of time to indicate against which party judgment should be entered. That procedure works just fine when counsel for the buying party has a strong opinion as to against which party judgment should be entered--which, of course, is not always the party which he or she originally represented. However, what should he or she do if, mirabile dictu, his or her opponent has made some non-frivolous arguments--as, of course, has the attorney for the buying party. In that situation, no matter which party the attorney for the buying party elects, the attorney can rest assured that, in subsequent litigation, the defendant will argue that he or she elected the wrong one.

What Happened in Hazes v. Bries

This situation arose in Hazes v. Bries, interference No. 104,833.³ The preliminary motions had been fully briefed, they were outcome-determinative, and, to put it mildly, my opponent's arguments were not frivolous. But then again, neither were ours. In my opinion, it was unclear against which party judgment should be entered.

I raised my dilemma with APJ Tierney, and he set the case down for oral argument before APJs Lane, Medley, and Tierney. During the oral argument,⁴ their

³ In the exercise of candor, I disclose that my colleague former APJ Boler and I represented Bries. Hazes was represented by Kurt G. Briscoe and Davy E. Zoneraich of the New York office of Norris, McLaughlin & Marcus, P.A.

⁴ No, I didn't argue for Bries and have Jim Boler argue for Hazes.

Honors were more interested in the issue discussed in this article than they were in the merits of the preliminary motions. Their chief concern seemed to be that, if they decided the preliminary motions in that case, they would routinely be asked to decide the preliminary motions in all cases where one party had acquired the other party's case in interference--at least where the preliminary motions were fully briefed.

The panel's opinion (authored by APJ Medley) is, unfortunately, non-precedential. However, the panel's opinion on this subject is very interesting--and, I think, clearly correct.⁵ According to the opinion:

At the time the interference was declared on 26 March 2002 (Paper 1), the Hazes involved patent and the Bries involved application were assigned to different entities (see Papers 4 and 14). After preliminary motions, oppositions, and replies were filed, but prior to oral argument, the parties settled the interference, whereby the party Hazes assigned its patent to Bries['] real party in interest, Minnesota Mining and Manufacturing Company (3M)¹.

Unless good cause is shown, an interference shall not be continued between an application and a patent owned by the same party. 37 CFR § 1.602(a). Thus, 3M was ordered to show cause why judgment should not be

⁵ Except for the explanation of why the panel's opinion was made non-precedential.

entered against the junior party Hazes (Paper 108). 3M responded by requesting a decision on the preliminary motions filed to make a proper determination of priority vis-à-vis Hazes and Bries (Papers 108 and 110).^[6] 3M's request was granted (Paper 110 at 3).

Oral argument on preliminary motions was held on 5 August 2003. As common assignee, only 3M had counsel present at the hearing. During oral argument, counsel for 3M requested that there emanate from this decision a precedent for deciding certain preliminary motions at the request of a common assignee. That is, counsel requested that the board undertake deciding "close" issues in order to assist a common assignee in determining priority (Paper 114 at 5). 3M's request for a precedential decision is denied.

Ordinarily, despite having filed preliminary motions, when a common assignee emerges, a decision on preliminary motions will not be decided. Here, counsel for 3M, during a conference call with the administrative patent judge (APJ) designated to handle the interference,

⁶ This was not a priority case in the sense that evidence of pre-filing date inventive activity had been submitted. However, neither was the outcome-determinative issue patentability over the prior art.

explained to the APJ that 3M had a difficult task in deciding priority between Bries and Hazes, since it was a “close call” as to what the count should be, whether Bries’ claims were patentable, and whether Hazes should be accorded benefit of its German application. Counsel for 3M requested that the Board decide those issues. Based on the specific facts of the case, the APJ agreed to proceed to oral argument and to decide those issues raised regarding the proper count, the patentability of Bries’ involved claims, and the benefit Hazes sought to be accorded (Paper 110). That the APJ did so was solely within his discretion. That the APJ did so is not, in any way, an indication that a future common assignee in the same position will be afforded the same courtesy. Based upon the particular facts of this interference, we conclude that the APJ did not abuse his discretion in continuing the interference. For these reasons, we exercise our discretion to determine all of the preliminary motions filed.

¹ According to PTO records, the assignment was executed on 12 June 2003, and recorded on 11 July 2003.⁷

⁷ Opinion pages 1-3.

Comments

I still think that the only meaningful test in this situation is whether the issues are close. I realize, of course, that such a test will have to be decided on a case-by-case basis. However, it is certainly no worse than the “insubstantial” test for infringement under the doctrine of equivalents--and many, many other judicial tests.

So, in my opinion the answer to the question posed at the outset of this article is that counsel for the buying party should ask the APJ designated to handle the interference to set the case down for oral argument before a panel of the board. The panel’s decision will, of course, not be binding on a third party in subsequent litigation. However, it would take a great deal of bravery or spectacularly different evidence to cause an Article III judge to decide the same issue or issues contrary to the panel’s decision.

And, while you’re at it, ask the panel for a precedential opinion on the standard to be employed in deciding whether or not to decide the issues in this situation.