HOW HARD IS IT, REALLY, TO PROVE DERIVATION?

By

Charles L. Gholz[1, 2]

[1] Partner in and head of the Interference Section of Oblon, Spivak, McClelland, Maier & Neustadt. My direct dial telephone number is 703/412-6485, and my email address is CGHOLZ@OBLON.COM.

Table of Contents

Introduction

The CCPA and the Federal Circuit have stated that an interferent that alleges derivation need only prove its allegation by a preponderance of the evidence. However, statements from BPAI have occasionally suggested that, while it gives lip service to the courts' language, in practice it requires derivation to be proved by a higher standard. Moreover, the board's failure to find derivation more frequently has given rise to the feeling on the part of interference practitioners that it is very, very difficult to prove derivation.[3] However, a panel of the Trial Section did recently hold that derivation (by a famous professor, no less!) had been proven, and its analysis of the proof in that case suggests that the APJs on the Trial Section may be looking at evidence of derivation with a somewhat less skeptical eye than their predecessors in jurisdiction did.

Anderson v. Hill

The recent opinion is Anderson v. Hill, 66 USPQ2d 1113 (PTOBPAI 2002) (non-precedential) (opinion delivered by APJ Medley for a panel that also consisted of APJs Schaefer and Lee). In that opinion, a panel of the Trial Section found that a prominent university professor (Elias Snitzer) derived the invention while serving as one of the guest editors of the *Annual Review of Materials Science* from Dr. Hill, the lead inventor in another party to this interference, who had submitted a paper describing the invention for publication in that review—an inflammatory allegation indeed!

[3] Of course, an alternative explanation for the board's failure to find derivation more frequently is that derivation takes place very infrequently--but I don't believe that for a moment.

I will start by briefly reviewing the basics.

First:

> Derivation is a question of fact. To prove derivation, the movant must establish prior conception of the claimed subject matter and communication of the conception to the adverse claimant. *Price v. Symsek*, 988 F.2d 1187, 1190, 26 USPQ2d 1031, 1033 (Fed. Cir. 1993).[4]

Second, the testimony of named inventors offered in rebuttal to evidence of derivation offered by an opponent must be corroborated.[5]

Third, notwithstanding the former language of 35 USC 102(f), interferents have always been able to prove derivation taking place abroad.[6]

Fourth, the burden of proof on the party alleging derivation is allegedly the

---

[4] 66 USPQ2d at 1129.

[5] 66 USPQ2d at 1128 ("inventor testimony [rebutting an assertion of derivation] must be corroborated," citing Cooper v. Goldfarb, 154 F.3d 1321, 1330, 47 USPQ2d 1896, 1903 (Fed. Cir. 1998)).

[6] Hedgewick v. Akers, 497 F.2d 905, 182 USPQ 167 (CCPA 1974) (derivation in Canada), and Asari v. Zilges, 8 USPQ2d 1117 (PTOBPAI 1987) (derivation in Japan).

preponderance of the evidence[7] unless that party's filing date is after the other party's issue date. (In that very unusual situation, the burden of proof on the party alleging derivation is clear and convincing evidence.[8]) However, the board has traditionally indulged in a presumption of integrity which makes the burden on the party attempting to prove derivation in the first situation feel like clear and convincing evidence[9] and the burden on the party attempting to prove derivation in the second situation feel like beyond a reasonable doubt.

Fifth, alleged derivers seldom confess, and smoking gun evidence is hard to find. So:

> It is well established that derivation is difficult to establish by direct evidence; it can generally only be established from the circumstances of a case. *Barnet v.*

[7] Davis v. Reddy, 620 F.2d 885, 889, 205 USPQ 1065, 1068 (CCPA 1980) (Rich, J.) ("This 'preponderance of the evidence' burden of proof applies where the issue is derivation.") (Rich, J.), citing Mead v. McKiernan, 585 F.2d 504, 507, 199 USPQ 513, 515 (CCPA 1978) (Rich, J.).

[8] Price v. Symsek, 988 F.2d 1187, 26 USPQ2d 1031 (Fed. Cir. 1998). Cf. also 37 CFR 1.657(c).

[9] See, e.g., Spaite v. Marsh, 208 USPQ 145, 154-56 (PTOBPI 1979) (Champion, EOI, for a panel that also consisted of EOIs Calvert and Boler), particularly 208 USPQ at 156 ("It is incumbent upon one to protect his intellectual property, by whatever legal means available, and if he charges someone else with derivation of that property, he has the burden of proving the charge by more than mere suspicious circumstances.").

Wied, 195 F.2d 311, 93 USPQ 161 (CCPA 1952).

Accordingly, all the circumstances in the record must be considered in evaluating the sufficiency of the communication. *Hedgewick v. Akers*, 497 F.2d 905, 908, 182 USPQ 167, 169 (CCPA 1974).[10]

The Issues Discussed

The panel treated the derivation issue as two sub-issues. First, it discussed Prof. Snitzer's evidence of conception prior to Dr. Hill's conception date because "A showing of prior conception by Snitzer will negate Hill's charge of derivation."[11] Second, it discussed Dr. Hill's evidence of derivation by Prof. Snitzer and his team.

The Prior-Conception Sub-Issue

With respect to the prior-conception sub-issue, the panel found that the testimony of Prof. Snitzer's corroborators was not credible. As to Dr. Rishton, it found his testimony not credible because:

(1) His "declaration and cross-examination testimony were taken some nine years after the events to which he testified";[12]

(2) "That this is a long time for a person to recollect events is exemplified by Dr. Rishton's inability to recall certain events that occurred during the same time period

[10] 66 USPQ2d at 1129.

[11] 66 USPQ2d at 1126.

[12] 66 USPQ2d at 1127.

for which he testified…";[13]

(3) Early in his testimony Dr. Rishton "could not recall the term phase mask being mentioned to him during his meetings with Drs. Snitzer and Prohaska…,"[14] but he "recalled much later during his cross-examination testimony, that the term phase mask was discussed"[15]--which, according to the panel, meant that "there is a conflict in Dr. Rishton's testimony";[16]

(4) Dr. Rishton's testimony as to the date of a particular discussion was inconsistent with the testimony of Dr. Prohaska, one of the named inventors; and

(5) "[A]lthough Dr. Rishton routinely kept notes regarding meetings, the notes he kept for the initial discussions he had with the Snitzer inventors only mention an amplitude mask and do not mention any discussion Rishton had with either Snitzer or Prohaska regarding a phase mask or the concept of a phase mask."[17]

Next, the panel held that the testimony of Dr. Stubbs, the patent agent who prepared the Snitzer application, did not corroborate Prof. Snitzer's prior conception that Prof. Snitzer must have had a phase mask in mind because "phase masks were known in 1984 as transmission gratings…"[18] because "That it might have been obvious to use known phase masks to vary phase is not the point. Snitzer has failed to demonstrate that

---

[13] 66 USPQ2d at 1127.

[14] 66 USPQ2d at 1127.

[15] 66 USPQ2d at 1127.

[16] 66 USPQ2d at 1127.

[17] 66 USPQ2d at 1127.

[18] 66 USPQ2d at 1128.

Stubbs' understanding is the same as what the inventors had in mind."[19] Moreover, the panel also found Dr. Stubbs's testimony to be not credible because he "had no recollection of the discussions he had with Dr. Snitzer during…[his first] meeting [with Dr. Snitzer]…,"[20]and "Notes taken [by Dr. Stubbs] during the meeting do not sufficiently describe the concept of a phase mask as defined in this interference…."[21]

The Derivation Sub-Issue

Although the panel conceded that "there is no direct evidence that Elias Snitzer received and read the Hill manuscript,"[22] it concluded that "the facts before us present strong circumstantial evidence which supports Hill's charge of derivation."[23] The key facts were, in brief and leaving out many facts constituting a web of supporting evidence, that Prof. Snitzer was a guest editor of Vol. 23 of the *Annual Review of Materials Science*; that Prof. Snitzer invited Dr. Hill to write an article for that volume; that, according to Dr. Hill, Prof. Snitzer requested that the manuscript of that article be sent directly to him; and that Ms. Cooperman, the production editor for the review, sent Dr. Hill a letter informing him that a copy of his manuscript should be sent directly to the Annual Review Office. Moreover, although the panel conceded that "there is no direct

[19] 66 USPQ2d at 1128.

[20] 66 USPQ2d at 1129.

[21] 66 USPQ2d at 1129.

[22] 66 USPQ2d at 1129.

[23] 66 USPQ2d at 1129.

evidence that Dr. Snitzer received the Hill manuscript…,"[24] Ms. Cooperman "testified that for the Volume 23, in the ordinary course of business, she sent copies of all manuscripts for keynote topics [which included the Hill manuscript] to each [guest] editor to be read…"[25] and that "a copy of each manuscript was sent to the guest editors immediately after the manuscript was received by the Annual Review Office…."[26]

Prof. Snitzer "testified that he never read the Hill manuscript prior to or during the pendency of his '839 application, which issued well after the time he wrote the insert for the Volume 23 [which the panel found "describes the general subject matter of the Hill manuscript"]…."[27] He also testified that he "was very busy at the time he took on the role as guest editor for the *Annual Review of Materials Science*"[28] and that "the late Dr. Laudise, the other guest editor for the Volume 23, performed almost all of the guest editing work…."[29]

Prof. Snitzer's problem was, in essence, that the panel didn't believe him:

> We are not persuaded by Snitzer's explanations. First, we credit the testimony of Dr. Hill over that of Dr. Snitzer, since at least Cooperman corroborates portions of Dr. Hill's testimony.***That Dr. Snitzer appeared to be busy with duties outside of being a guest editor does not indicate that the Hill manuscript was never sent to him.***

---

[24] 66 USPQ2d at 1129.

[25] 66 USPQ2d at 1129.

[26] 66 USPQ2d at 1129.

[27] 66 USPQ2d at 1130.

[28] 66 USPQ2d at 1130.

[29] 66 USPQ2d at 1130.

***

Snitzer attacks the credibility of Cooperman's testimony. Snitzer argues that since Cooperman dealt with numerous manuscripts, authors, editors, etc., during 1993, that she is mistaken in her assumption of how the manuscripts for Volume 23 of the Review were handled…. That Cooperman dealt with a large number of manuscripts, authors and editors does not, without more[,] discredit Cooperman's testimony. Cooperman was consistent throughout her testimony. She testified that for Volume 23, a copy of each manuscript for the keynote topic was sent to each guest editor…. Organizing and orchestrating each Volume was and still is (as of the date of her deposition and cross-examination testimony) Ms. Cooperman's job as production editor…. As part of her job, Ms. Cooperman performs certain routine tasks. We are not persuaded that the sheer volume of information that Ms. Cooperman dealt with in 1993 discounts her consistent recollection of how manuscripts were handled for Volume 23.[30]

***

Snitzer argues that the insert that Dr. Snitzer wrote for the introduction of Volume 23 is a general overview of relevant topics in the field of fiber optics, and does not demonstrate that Dr. Snitzer read the Hill manuscript…. While it may be true that the insert may refer to a general overview of relevant topics in the field of fiber optics, it is at least as likely that the insert was written with knowledge of the Hill manuscript. Cooperman indicated that one of the reasons for sending the keynote manuscripts to the guest editors was for them to read the manuscripts in order to write an introduction for the volume…. It is suspect that Snitzer would take on the task of writing a portion of an introduction for a publication without knowing what had been written. Snitzer's explanation to the contrary, in light of the evidence before us, is not persuasive.

In summary, although Dr. Snitzer denied ever reading or receiving the manuscript, based on the record,

[30] 66 USPQ2d at 1130.

> there is strong circumstantial evidence supporting Hill's charge of derivation.[31]
>
> ***
>
> Dr. Snitzer wrote an insert for the introduction of Volume 23, describing generally the subject matter covered by the Hill manuscript, despite Dr. Snitzer's testimony that he never received or read Hill's manuscript. Cooperman testified that manuscripts are sent to each guest editor to be read in order to write an introduction. It is simply not credible that Snitzer would undertake writing a portion of an introduction to a compilation of articles without reading the relevant articles.[32]

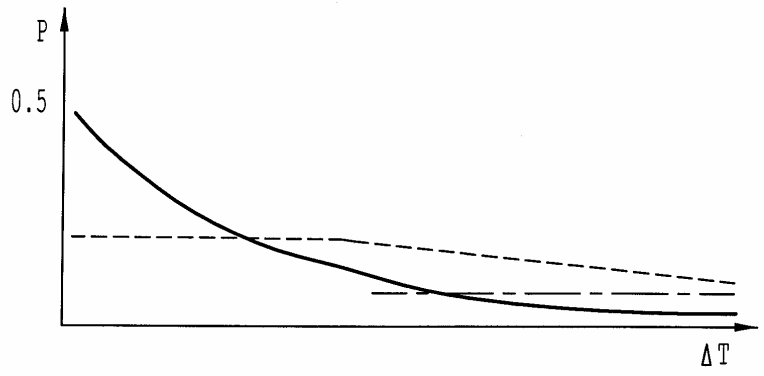
Comments

Given the board's historic reluctance to find derivation, this must have been an extremely difficult case for the panel.

For many years I have used the following figure in introductory lectures about interference law to explain the probability that the interferent having the burden of proof as to priority and derivation will prevail:

[31] 66 USPQ2d at 1131.

[32] 66 USPQ2d at 1131.



——— PROBABILITY OF JUNIOR PARTY'S WINNING AS TO PRIORITY

------- PROBABILITY OF JUNIOR PARTY'S WINNING AS TO DERIVATION WHERE THE JUNIOR PARTY'S FILING DATE IS BEFORE THE SENIOR PARTY'S ISSUE DATE

—— - —— PROBABILITY OF JUNIOR PARTY'S WINNING AS TO DERIVATION WHERE THE JUNIOR PARTY'S FILING DATE IS AFTER THE SENIOR PARTY'S ISSUE DATE (NOTE THAT, BY DEFINITION, ΔT IS ALWAYS LARGE IN THIS CASE BUT THAT THE JUNIOR PARTY'S FILING DATE CANNOT BE MORE THAN A YEAR AFTER THE SENIOR PARTY'S ISSUE DATE OR THE SENIOR PARTY'S PATENT WILL BE A 35 USC 102(b) BAR TO THE JUNIOR PARTY)

At first blush, one might think that the probability that a party alleging derivation will prevail would be independent of ΔT. However, it has been my experience that, if ΔT is greater than Their Honors think reasonable, they are likely to be very skeptical of the evidence of derivation. What I <u>think</u> is going on in their minds is that they are asking themselves the question, "If that party <u>really</u> conceived the invention way back then, how come it took it so long to get its application on file?"

As for why the curve labeled "PROBABILITY OF JUNIOR PARTY'S WINNING AS TO DERIVATION WHERE THE JUNIOR PARTY'S FILING DATE

IS BEFORE THE SENIOR PARTY'S ISSUE DATE" starts so far below .5, that reflects my assessment that, historically, the effective burden of proof on the party alleging derivation in this situation has been, in actual fact, clear and convincing evidence--notwithstanding the CCPA's and the Federal Circuit's assertions that it is only the preponderance of the evidence. Similarly, the reason why the bottom curve starts so far below the middle curve is that it seems that, in actual fact, the effective burden of proof is even higher than clear and convincing evidence. However, if the Trial Section decides more cases the way that it decided this one, I will have to move those curves up.