

A CRITIQUE OF RECENT OPINIONS
IN PATENT INTERFERENCES¹

Charles L. Gholz²

¹Copyright 2003 by Charles L. Gholz; Oblon, Spivak, McClelland, Maier, & Neustadt, P.C.; Alexandria, Virginia. I acknowledge with thanks the contributions of my colleague, former Administrative Patent Judge Alton D. Rollins.

²Partner in and head of the interference section of Oblon, Spivak, McClelland, Maier & Neustadt, PC.; Alexandria, Virginia. My direct dial telephone number is (703) 412-6485, and my E-mail address is CGHOLZ@OBLON.COM

TABLE OF CONTENTS

I.	<u>INTRODUCTION</u>	1
II.	<u>CONCEPTION</u>	1
	A. The Burdens of Proof as to Conception, Diligence, and Actual Reduction to Practice Are <u>Always</u> on the Junior Party, Regardless of What the Senior Party Proves.....	1
	<u>Brown v. Barbacid</u>	1
	B. The Court Suggests That Prior Conception of a Species Within the Scope of a Generic Count Is Not Sufficient to Establish Prior Conception as to the Count	3
	<u>In re Jolley</u>	3
III.	<u>CLASSICAL DILIGENCE</u>	5
	A. Activities Directed to Building a Large-Scale Facility Needed for Commercial Practice of the Process Can Count as Diligence.....	5
	<u>Scott v. Koyama</u>	5
IV.	<u>ACTUAL REDUCTION TO PRACTICE</u>	7
	A. Sometimes One Must Prove an Appreciation of What Is Recited in the Preamble of a Count in order to Prove an Actual Reduction to Practice	7
	<u>Griffin v. Bertina</u>	7
	B. Contemporaneous Inconsistent Statements Concerning an Alleged Actual Reduction to Practice Can Be Used to Negate Evidence Submitted in an Interference.....	7
	<u>Manning v. Paradis</u>	7
V.	<u>PEELER DILIGENCE</u>	8
	A. Excellent Didactic Discussion of the Law Concerning Suppression or Concealment.....	8
	<u>Morrison v. Lakes</u>	8
VI.	<u>CONSTRUCTIVE REDUCTION TO PRACTICE</u>	10

VII.	<u>DERIVATION</u>	10
VIII.	<u>THE 35 USC 135(b) BAR</u>	10
	A. 37 CFR 1.601(n) Does Not Set Forth the Test for Compliance with 35 USC 135(b).....	10
	<u>In re Berger</u>	10
	B. 35 USC 135(b) Is a Threshold Issue that Should Be Addressed by the Board at the Preliminary Stage of an Interference Before Proceeding to Other Issues	12
	<u>Berman v. Housey</u>	12
IX.	<u>CORROBORATION</u>	14
	A. Perhaps Corroboration of an Inventor’s Laboratory Notebook <u>Does</u> Require Independent Corroboration of the Dates Contained in the Notebook After All.....	14
	<u>Singh v. Brake</u>	14
X.	<u>INTERFERENCE PRACTICE</u>	15
	A. Interfering Claims in Patent-Patent Interferences.....	15
	<u>Talbert Fuel Systems Patents Co. v. Unocal Corp.</u>	15
	B. An Interferent That Changes His or Her Position as to Inventorship Has the Burden of Establishing What Caused the “Change of Heart”	18
	<u>Ellsworth v. Moore</u>	18
	C. The Trial Section’s Instructions for Taking Testimony in a Foreign Language	20
	<u>Wojciak v. Nishiyama</u>	20
	D. A Declaration Describing Comparative Tests Can Be Stricken As Hearsay if CrossExamination of the Declarant Reveals Questions Concerning Whether the Declarant Actually Conducted the Test.....	21
	<u>Wojciak v. Nishiyama</u>	21
	E. Allegation that a Communication of the Invention Took Place “On July 20 to 26, 1991” Made in Connection with	

	an Assertion of Derivation It Is Not Indefinite or Insufficient	23
	<u>Rose v. Frazer</u>	23
F.	The SAPJ Authorizes the Taking of Cross-Examination in the United Kingdom.....	24
	<u>Bronshtein v. Roser</u>	24
G.	An Interferent that Requests Entry of Adverse Judgment Cannot “Reserve” Rights for Later	26
	<u>Eli Lilly and Co. v. Cameron</u>	26
H.	A Party Filing a 37 CFR 1.633(c)(3) Motion to Have an Opponent’s Claim Designated as Corresponding to the Count Must Demonstrate that It (i.e., the Moving Party) Complied With 35 USC 135(b)	26
	<u>Rohrmann v. Alt</u>	26
I.	Section 19 of the Standing Order Does Not Authorize an Interferent to Request a Copy of a “Standard Test” Not Otherwise Identified.....	28
	<u>Scott v. Gbur</u>	28
J.	The Existence of an Interference in Fact is a Threshold Issue Which May Make Decision on Other Pending Motions Moot	29
	<u>Han v. Livak</u>	29
K.	A District Court Handling a 35 USC 291 Patent-Patent Interference Should Determine One or More Counts.....	32
	<u>Slip Track Systems, Inc. v. Metal-Lite, Inc.</u>	32
XI.	<u>PATENTABILITY ISSUES ARISING IN AN INTERFERENCE CONTEXT</u>	34
XII.	<u>COURT REVIEW OF DECISIONS IN INTERFERENCES</u>	34
A.	The Fact that the Parties Litigated Priority Before the Board Does Not Mean That, in a Subsequent 35 USC 146 Action, A Party Can Argue for Priority on a Basis that it Did Not Argue Before the Board	34

	<u>Abbott Laboratories v. Hope</u>	34
XIII.	<u>POST INTERFERENCE PRACTICE</u>	39
XIV.	<u>RELATIONSHIP OF INTERFERENCE PROCEEDINGS TO COURT PROCEEDINGS</u>	39
	A. Are Judgments in Interferences Entitled to Issue Preclusion Effect or Aren't They?	39
	<u>Novo Nordisk A/S v. Bio-Technology General Corp.</u>	39
XV.	<u>CONCLUSION</u>	41

I. INTRODUCTION

This article covers precedential and interesting non-precedential opinions³ relating to interferences published since those covered in my previous article at 84 JPTOS 163 (2002)⁴ through December 31, 2002.⁵

II. CONCEPTION

A. **The Burdens of Proof as to Conception, Diligence, and Actual Reduction to Practice Are Always on the Junior Party, Regardless of What the Senior Party Proves**

Brown v. Barbacid

³Federal 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 non-Trial Section 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. On the other hand, section 14 of the Trial Section’s “STANDING ORDER” says that “Non-precedential decisions of federal courts shall not be cited,” but “Non-precedential decisions of the board may be cited, but are not binding.” The “STANDING ORDER” gives no explanation for this strange dichotomy.

⁴See also my previous articles at 83 JPTOS 161 (2001), 82 JPTOS 296 (2000), 81 JPTOS 241 (1999), 80 JPTOS 321 (1998), 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).

⁵The 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.”

In Brown v. Barbacid, 276 F.3d 1327, 61 USPQ2d 1236 (Fed. Cir. 2002) (opinion for the court delivered by Circuit Judge Rader and joined by Circuit Judge Michel; dissenting opinion delivered by Circuit Judge Newman), the majority held that the burdens of proof as to conception, diligence, and actual reduction to practice are always on the junior party, regardless of what the senior party proves. The junior party (Barbacid) had proved an actual reduction to practice prior to the senior party's effective filing date. The senior party (Brown) attempted to prove conception, diligence beginning before the junior party's actual reduction to practice date, and an actual reduction to practice of its own. The board held against Brown as to conception and actual reduction to practice and therefore did not reach the question of diligence. On appeal, the court held that Brown had proved conception before Barbacid's actual reduction to practice and remanded to the board to consider Brown's evidence of diligence. In doing so, however, it said some things that may substantially confuse interference practice.

According to the majority, "Barbacid, as the junior party, has the ultimate burden to prove priority"⁶ and "This burden of proof does not shift"⁷ regardless of the evidence put on by the senior party.

In dissent, Judge Newman pointed out (correctly) that the majority's holding was contrary to generations of practice⁸ and that the majority's rule was "new and confusing."⁹

⁶276 F.3d at 1332, 61 USPQ2d at 1238.

⁷276 F.3d at 1333, 61 USPQ2d at 1239.

⁸Judge Newman kindly referred to Gholz, *Interference Practice* in 6 Irving Kayton et al., PATENT PRACTICE 24-76 (1989) as "a definitive text" which supported her position. 276 F.3d at 1346, 61 USPQ2d at 1244.

⁹276 F.3d at 1339, 61 USPQ2d at 1243.

Comment

Judge Rader's the-burden-never-shifts analysis is metaphysical nonsense—and, as pointed out in Judge Newman's dissent, contrary to generations of precedent. It is, of course, very reminiscent of the Federal Circuit's repeated statements that the burden of proof with respect to validity never shifts in patent infringement actions.¹⁰ I've always thought those statements extremely unhelpful. However, as long as the parties mouth the Federal Circuit's goofy statements, those statements don't do a lot of harm, and I suspect that the same will be true of Judge Rader's analysis—assuming, of course, that anyone cites and applies it. However, I suspect that some decisional authorities may just point out that, under South Corp. v. United States, 690 F.3d 1368, 215 USPQ 657 (Fed. Cir. 1982) (en banc), Judges Rader and Michel did not have the authority to overrule the prior law.

B. The Court Suggests That Prior Conception of a Species Within the Scope of a Generic Count Is Not Sufficient to Establish Prior Conception as to the Count

In re Jolley¹¹

It has been generally accepted since Hector was a pup that prior conception of a species within the scope of a count is sufficient to establish prior conception as to the count. As the board said in Miller v. Walker, 214 USPQ 845 (PTOBPI 1982):

¹⁰See, e.g., Mahurkar v. C.R. Bard, Inc., 79 F.2d 1572, 38 USPQ2d 1285 (Fed. Cir. 1996) (opinion delivered by Circuit Judge Rader and joined by Chief Judge Archer and Circuit Judge Michel).

¹¹The decision on appeal was a decision in an interference. However, the party that prevailed below (McGraw) “did not respond to Jolley’s opening brief...,” 308 F.3d at 1320, 64 USPQ2d at 1904, and the court “subsequently granted the motion of the Director to participate in the appeal to defend the Board’s decision, and to recaption the appeal In re Jolley.” 308 F.3d at 1320, 64 USPQ2d at 1904.

It has been held (with respect to certain mechanical inventions) that the first to conceive of a species or embodiment of the generic invention is the first to conceive with respect to the generic invention. *Laughlin v. Burry*, 50 App. D.C. 273, 270 F. 1013, 1921 C.D. 180 (1921); *Slaughter v. Halle*, 1902 C.D. 210 (Comm'r Pat. 1902), *aff'd*, 21 App. D.C. 19, 1902 C.D. 519 (1902). We hold likewise in this case. To hold otherwise would be inconsistent with the long held view that prior reduction to practice (either constructive or actual) of a species within the scope of a generic count is sufficient to support an award of priority as to the generic count.¹²

However, in *In re Jolley*, 308 F.3d 1317, 64 USPQ2d 1901 (Fed. Cir. 2002) (opinion delivered by Circuit Judge Clevenger for a panel that consisted of Circuit Judges Michel and Bryson), the court gratuitously cast doubt on that rule:

The Director, apparently relying on the principle that “one may establish priority for a generic claim on the basis of a showing that he was prior as to a single species,” *In re Taub*, 348 F.2d 556, 562, 146 USPQ 384, 389 (CCPA 1965), argues that McGraw should be credited with conception of the genus so long as McGraw can prove conception of any species falling within the scope of the count.²

²Although *Jolley* does not contest the Director’s statement of the rule, neither this court nor its predecessor has held that the first to conceive of a species is the first to conceive of the generic invention. While the Board has so held, *see Miller v.*

¹²214 USPQ at 847; footnote omitted.

Walker, 214 USPQ 845, 847 (Bd. of Patent Interferences 1982), we have held only that “conception of a species within a genus may constitute conception of the genus.” Oka v. Youssefye, 849 F.2d 581, 584, 7 USPQ2d 1169, 1171 (Fed. Cir. 1988) (emphasis added). [Emphasis of “conceive” in the original.]¹³

The reason that I say that the court cast doubt on the venerable rule gratuitously is that it held that, “since Jolley agrees with the Director’s formulation, we deem Jolley to have conceded conception in the event that McGraw’s e-mail disclosed with sufficient particularity the Carswell esters falling within the scope of the count.”¹⁴

Comment

At least the court’s going out of its way to raise an issue not raised by the parties has the benefit (to the interference bar) of stirring up additional litigation—until the court eventually holds (as I trust that it will) that the first to conceive of a species is the first to conceive of the generic invention.

III. CLASSICAL DILIGENCE

A. **Activities Directed to Building a Large-Scale Facility Needed for Commercial Practice of the Process Can Count as Diligence**

Scott v. Koyama

In Scott v. Koyama, 281 F.3d 1243, 61 USPQ2d 1856 (Fed. Cir. 2002) (opinion delivered by Circuit Judge Newman for a panel that also consisted of Circuit Judges Schall and Bryson), the court correctly noted that “The activities that may be considered in a showing of diligence

¹³308 F.3d at 1322 n. 2, 64 USPQ2d at 1905 n.2.

¹⁴308 F.3d at 1322 n.2, 64 USPQ2d at 1905 n.2.

can take a diversity of forms.”¹⁵ In this case, Scott had actually reduced the invention to practice in the U.K., but that did not count because all relevant dates were prior to January 01, 1996. Koyama was senior party based on its Japanese priority application, and Scott had proved conception in the United States prior to Koyama’s Japanese priority date. What Scott relied on to tie its conception date to its U.K. filing date was evidence that it had been contracting for the building of a large-scale facility to practice the invention commercially in the United States. The panel,¹⁶ however, “ruled that Scott’s activities in constructing a manufacturing plant were directed to commercializing the invention, not to reducing it to practice, and thus that these activities cannot serve as evidence of diligence.”¹⁷ On appeal, the court reversed, ruling as follows:

Although we agree with the Board that these preparations for manufacture were not of themselves an actual reduction to practice of the claimed process, the preparations were all directly aimed at achieving actual practice of the process on a large scale in the United States. Thus the preparations in the United States, directly aimed at commercial practice in the United States, were improperly excluded as evidence of diligence to reduction to practice.¹⁸

¹⁵281 F.3d at 1248, 61 USPQ2d at 1859.

¹⁶Based on the dates, it seems likely that the panel consisted of pre-Trial Section APJs.

¹⁷281 F.3d at 1247-48, 61 USPQ2d at 1859.

¹⁸ 281 F.3d at 1248, 61 USPQ2d at 1859.

Comment

Today, of course, both Scott and Koyama would be able to rely upon evidence of their inventive activities in their respective home countries.

IV. ACTUAL REDUCTION TO PRACTICE

A. **Sometimes One Must Prove an Appreciation of What Is Recited in the Preamble of a Count in order to Prove an Actual Reduction to Practice**

Griffin v. Bertina

Whether or not a preamble has substantive impact on the interpretation of a claim has long been one of the great mysteries of patent law. See, e.g., Bell Communications Research, Inc. v. Vitalink Communications Corp., 55 F.3d 615, 620, 34 USPQ2d 1816, 1820 (Fed. Cir. 1995). In Griffin v. Bertina, 285 F.3d 1029, 62 USPQ2d 1431 (Fed. Cir. 2002) (opinion delivered by Circuit Judge Lourie for a panel that also consisted of Circuit Judges Michel and Dyk), that mystery has been extended to interference law. In this case, the court affirmed the board's holding that the party alleging an early reduction to practice had not established that actual reduction to practice because, as of that date, it had not appreciated that what it had done responded to what was recited in the preamble of the count.

Comment

The solution (in glorious hindsight) to all such problems is to move to substitute a count that doesn't include the troublesome recitation. If one can't get such a motion granted, one presumably deserves to lose.

B. **Contemporaneous Inconsistent Statements Concerning an Alleged Actual Reduction to Practice Can Be Used to Negate Evidence Submitted in an Interference**

Manning v. Paradis

The evidence submitted in an interference normally indicates that an alleged actual reduction to practice was an unalloyed success. However, contemporaneous publications of the inventor or one of the inventors sometimes indicate that that was not so, and those publications can be more persuasive than the evidence submitted in the interference. Manning v. Paradis, 296 F.3d 1098, 63 USPQ2d 1681 (Fed. Cir. 2002) (opinion delivered by Circuit Judge Dyk for a panel that also consisted of Chief Circuit Judge Mayer and Circuit Judge Rader), was such a case.

Comment

I am not suggesting that the named inventor(s) be cautioned not to say embarrassing things in academic articles. I am, however, suggesting that, before spending all the money required to litigate an interference, counsel for the named inventor(s) needs to investigate what the named inventor(s) said in contemporaneous publications. Sometimes it is better to give up immediately than to waste money.

V. PEELER DILIGENCE¹⁹

A. **Excellent Didactic Discussion of the Law Concerning Suppression or Concealment**

Morrison v. Lakes

Morrison v. Lakes, 63 USPQ2d 1742 (PTOBPAI 2002) (non-precedential) (opinion delivered by SAPJ McKelvey for a panel that also consisted of APJs Torczon and Medley) contains an excellent didactic discussion of the law concerning suppression or concealment. On the merits, the panel held that a delay of 21 months and 11 days between Morrison's alleged

¹⁹So 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)

actual reduction to practice and its filing date was enough to create an inference of suppression or concealment and that Morrison had failed to rebut that inference because it failed to direct the panel to “evidence of specific activity between the two dates....”²⁰ Of specific interest to patent attorneys, Morrison argued that it had filed “a quality patent application”²¹ and that the panel should:

take judicial [sic—official] notice of the requirements for a quality patent application. This [a quality patent application?] requires preliminary search and review of the prior art prior to filing, writing and necessary revision of the patent specification and in this case, thorough review by the inventor and the inventor’s supervisory and co-workers who were involved in this project.²²

However, the panel:

decline[d] to take official notice of the facts suggested by Morrison because those facts are “subject to reasonable dispute”. Fed. R. Evid. 201(b).²³

Comment

If you have a suppression or concealment case, read this opinion immediately!

²⁰63 USPQ2d at 1746.

²¹63 USPQ2d at 1747.

²²63 USPQ2d at 1747; footnote omitted; interpolations by the panel.

²³63 USPQ2d at 1747; footnote omitted.

VI. CONSTRUCTIVE REDUCTION TO PRACTICE

Nothing relevant this year.

VII. DERIVATION

Nothing relevant this year.

VIII. THE 35 USC 135(b) BAR

A. **37 CFR 1.601(n) Does Not Set Forth the Test for Compliance with 35 USC 135(b)**

In re Berger

A recurrent fact pattern is that an applicant has presented one or more claims (hereinafter referred to as “the first group of claims”) prior to the 35 USC 135(b) bar date, that the applicant presents a second group of claims after the 35 USC 135(b) bar date, and that the applicant argues that its second group of claims is not barred by 35 USC 135(b) because they are drawn to the same invention as the first group of claims within the meaning of 37 CFR 1.601(n). The law on that subject has been regrettably unclear. However, in In re Berger, 279 F.3d 975, 61 USPQ2d 1523 (Fed. Cir. 2002) (opinion delivered by Circuit Judge Linn for a panel that also consisted of Circuit Judge Newman and Senior Circuit Judge Archer), the court clearly and unequivocally held that that argument won’t fly.

Berger’s arguments directed to § 1.601(n) are unavailing.

Whether claim 7 is obvious in view of original claims 1-6 is not germane to the question of whether claim 7 is entitled to the earlier effective date of claims 1-6 for purposes of the one-year bar of 35 U.S.C. § 135(b). To establish entitlement to the earlier effective date of existing claims for purposes of the one-year bar of 35

U.S.C. § 135(b), a party must show that the later filed claim does not differ from an earlier claim in any “material limitation.” Corbett v. Chisholm, 568 F.2d 759, 765-66, 196 USPQ 337, 343 (CCPA 1977). This is a distinctly different question from whether claims made for purposes of interference by different parties are directed to the same or substantially the same subject matter.²⁴

The court’s holding, of course, merely gets us back to the question of whether the limitation or limitations in question are “material limitations,” and the court offers precious little guidance on that. However, it did at least say that the board had found the limitation in question to be material because it was added by the target patentee (not the applicant) during prosecution to avoid prior art and that it agreed that that fact made the limitation in question a material limitation.

Comment

If the limitation in question was necessary to the applicant to avoid prior art, then it is difficult to see how the claim on appeal would have been drawn to the same invention as the claims that Berger originally presented within the meaning of 37 CFR 1.601(n). That is, claims 1-6 and claim 7 were apparently patentably distinct from each other in any event.

²⁴279 F.3d at 981-82, 61 USPQ2d at 1527. This holding is contrary to the court’s dictum in Aelony v. Arni, 547 F.2d 566, 570, 192 USPQ 486, 490 (CCPA 1977):

Section 102, 103, and 135 of 35 USC clearly contemplate—where different inventive entities are concerned—that only one patent should issue for inventions which are either identical to or not patentably distinct from each other. [Emphasis supplied.]

B. 35 USC 135(b) Is a Threshold Issue that Should Be Addressed by the Board at the Preliminary Stage of an Interference Before Proceeding to Other Issues

Berman v. Housey

All animals are equal, but some animals are more equal than the others. In Berman v. Housey, 291 F.3d 1345, 63 USPQ2d 1023 (Fed. Cir. 2002) (opinion delivered by Circuit Judge Lourie for a panel that also consisted of Circuit Judges Bryson and Gajarsa), the Federal Circuit in effect held that 37 CFR 1.633(a)/35 USC 135(b) motions are “more equal” than other 37 CFR 1.633(a) motions—and, not only that 37 CFR 1.633(a)/35 USC 135(b) motions should be decided first, but that, if they are granted, the Trial Section doesn’t have to decide any of the other motions:

The absence of an interfering claim that is not barred under § 135(b) therefore renders an interference nonexistent, and thus deprives the Board of its authority to continue the proceeding. See, e.g., Parks v. Fine, 773 F.2d 1577, 1581, 227 USPQ 432, 435 (Fed. Cir. 1985) (vacating the Board’s award of priority because Fine’s claims were barred under § 135(b), and concluding that “[t]he interference being dissolved, there is no occasion to award priority to either party”).

Accordingly, we hold that § 135(b) is a threshold issue that should be addressed by the Board at the preliminary stage of an interference before proceeding to the merits, and that the Board in this case properly refused to consider Berman’s unpatentability motion once it determined that Berman’s claim 64 was barred under § 135(b).²⁵

²⁵291 F.3d at 1351, 63 USPQ2d at 1027. The court’s opinion in Parks v. Fine was confused and confusing, and the court had to take a good portion of it back. See Gholz, A Critique of Recent

Berman relied on a series of cases beginning with Perkins v. Kwon, 886 F.2d 325, 12 USPQ2d 1308 (Fed. Cir. 1989), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 73 JPTOS 700 (1991)²⁶ at pages 705-707 which suggested to some that the board has a statutory obligation to decide all of the issues raised by the parties to interferences.²⁷ However, according to the court in Berman:

Those cases, contrary to Berman's argument, do not hold that all issues relating to patentability that are fairly raised in an interference must be addressed by the Board. Rather, those cases stand for the proposition that if, in a properly declared interference, an issue of priority or patentability is fairly raised and fully developed on the record, then the Board has the authority to consider that issue even after the Board determines that one party was not entitled to its claims.²⁸

Comment

So, the board has authority to do more work after granting a 37 CFR 1.633(a)/35 USC 135(b) motion, but it doesn't have to. My bet is that it will be a cold day in hell before the board does decide other preliminary motions after granting a 37 CFR 1.633(a)/35 USC 135(b) motion!

Opinions of the Federal Circuit in Patent Interferences, 69 JPTOS 664 (re the initial opinion) and 667 (1987) (re the opinion on reconsideration).

²⁶See also Guinn v. Kopf, 96 F.3d 1419, 40 USPQ2d 1157 (Fed. Cir. 1996); Wu v. Wang, 129 F.3d 1237, 44 USPQ2d 1641 (Fed. Cir. 1997); Schulze v. Green, 136 F.3d 786, 45 USPQ2d 1770 (Fed. Cir. 1998); and In re Gartside, 203 F.3d 1305, 53 USPQ2d 1769 (Fed. Cir. 2000).

²⁷See 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).

²⁸291 F.3d at 1352, 63 USPQ2d at 1028; emphasis in the original.

IX. CORROBORATION

A. **Perhaps Corroboration of an Inventor's Laboratory Notebook Does Require Independent Corroboration of the Dates Contained in the Notebook After All**

Singh v. Brake

In my write up of Singh v. Brake, 222 F.3d 1362, 55 USPQ2d 1673 (Fed. Cir. 2000), in Gholz, A Critique of Recent Opinions in Patent Interferences, 83 JPTOS 161 (2001), in a section entitled "Corroboration of an Inventor's Laboratory Notebook Apparently Does Not Require Independent Corroboration of the Dates Contained in the Notebook," I concluded that:

there was apparently no evidence corroborating Singh's assertion that he had made the...[the critical] entries [in his laboratory notebook] when he said that he did or on any date prior to Brake's filing date. Thus, the court apparently either overlooked or dispensed with the requirement that the *date* of the alleged conception document be independently corroborated.²⁹

In its decision on that appeal, the court remanded the case to the board. In its decision on remand, the board's said that "Singh's entire case for conception rests on the order of a 24-mer and an uncorroborated notation in a notation in a corner of Dr. Singh's notebook."³⁰

Singh appealed again, and, in Singh v. Brake, 48 Fed. Appx. 766, ____ USPQ2d ____, 2002 U.S. App. Lexis 21887 (Fed. Cir. October 16, 2002) (non-precedential) (opinion delivered by Circuit Judge Lourie for a panel that also consisted of Senior Circuit Judge Friedman and Circuit Judge Prost), the court said that:

²⁹83 JPTOS 171; italics in the original.

³⁰48 Fed. Appx. at 773, ____ USPQ2d at ____, 2002 U.S. App. Lexis at *19.

we note the Board’s finding that, apart from attorney argument, “Singh’s evidence of diligence primarily consists of various pages from Dr. Singh’s laboratory notebook which are (i) unexplained as to content and relevance to the invention of the Count, and (ii) uncorroborated.” Brake, Paper No. 199 at 88. We agree that Singh’s activities completed on December 20, 1982, were the only relevant, corroborated activities performed by Singh prior to Brake 1’s January 12, 1983, filing date, and, as a result, Singh failed to prove reasonable diligence toward reduction to practice by a preponderance of the evidence.³¹

Comment

I am confused. Do dates in an inventor’s laboratory notebook have to be corroborated or don’t they?

X. INTERFERENCE PRACTICE

A. **Interfering Claims in Patent-Patent Interferences**

Talbert Fuel Systems Patents Co. v. Unocal Corp.

Talbert Fuel Systems Patents Co. v. Unocal Corp., 275 F.3d 1371, 61 USPQ2d 1363 (Fed. Cir. 2002) (opinion delivered by Circuit Judge Newman and joined by Circuit Judges Michel and Rader), established, if nothing else, that Judge Newman’s views on 35 USC 291 practice have remained unchanged since Advance Transformer Co. v. Levinson, 837 F.2d 1081, 5 USPQ2d 1600 (Fed. Cir. 1988), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 71 JPTOS 439 (1989) at pages 445-46. Here, as there,

³¹48 Fed. Appx. at 774, _____ USPQ2d at _____, 2002 U.S. App. Lexis at *22.

Judge Newman apparently gave an extremely narrow reading to the language “an interfering patent” in 35 USC 291.³² According to her:

the necessary predicate to an interference under § 291 is identity of the invention as claimed by each party. See Advance Transformer Co. v. Levinson, 837 F.2d 1081, 1084, 5 USPQ2d 1600, 1602 (Fed. Cir. 1988) (“interfering patents are patents that claim the same subject matter”).³³

Comment

The court’s standard is a much more restrictive standard than that employed by the board³⁴ in interferences between patents and reissue applications. Judge Newman did at least concede that “Talbert is correct that interfering claims need not recite all of the same limitations, if in fact the claims cover the same subject matter.”³⁵ However, in light of her previously stated identity standard, she may have in mind only the difference between one party’s claims reciting “water” while the other party’s claims recite “liquid H₂O.” If so, that will continue to bias the great majority of parties contemplating 35 USC 291 actions towards the filing of reissue applications in order to return jurisdiction to the PTO.

³²35 USC 291 reads as follows in relevant part:

§ 291 The owner of an interfering patent may have relief against the owner of another by civil action, and the court may adjudge the question of the validity of any of the interfering patents, in whole or in part.

³³275 F.3d at 1377, 61 USPQ2d at 1367; emphasis supplied.

³⁴See 37 CFR 1.601(n).

³⁵275 F.3d at 1378, 61 USPQ2d at 1368.

In both Talbert and Advance, the court discussed differences between the claims of the different patents, but it did not address the question of whether those differences resulted in the patents' claiming separately patentable inventions. The concept that a plurality of patents claiming the same patentable invention (within the meaning of 35 USC 103) can all be valid runs counter to a fundamental principle of the U.S. patent system, expressed by the CCPA in Aelony v. Arni³⁶ as:

We believe that...board precedents correctly set forth the test of interference in fact and are grounded on sound policy considerations. Sections 102, 103, and 135 of 35 USC clearly contemplate—where different inventive entities are concerned—that only one patent should issue for inventions which are either identical to or not patentably distinct from each other.³⁷

Of course Aelony did not involve a patent-patent interference. However, no sound logical or legal rationale is apparent for using a different standard for interference-in-fact in 35 USC 291 actions than the standard used in interferences conducted under 35 USC 135 within the PTO. If the PTO inadvertently failed to perform its statutory tasks under 35 USC 102(g)/103 and 135(a), why should that failure be uncorrectable under 35 USC 291 but correctable in a patent/reissue application interference in the PTO?

The facts of the Talbert and Advance Transformer Co. cases probably did not require much in the way of an analysis of interference-in-fact under 35 USC 291. However, it is

³⁶547 F.2d 566, 192 USPQ 486 (CCPA 1977).

³⁷547 F.2d at 570, 192 USPQ at 490. See also In re McGrew, 120 F.3d 1236, 1237, 43 USPQ2d 1633, 1634 (Fed. Cir. 1997) (Rich, J.) (there is a “fundamental proposition that only one patent should issue for inventions which are identical to or not patentably distinct from each other...”).

unfortunate that no opinion after 1952 expressly considers the impact on such interferences of 35 USC 103 or the changes in interference and double patenting standards during the latter half of the 20th century.

B. An Interferent That Changes His or Her Position as to Inventorship Has the Burden of Establishing What Caused the “Change of Heart”

Ellsworth v. Moore

In Ellsworth v. Moore, 61 USPQ2d 1499 (PTOBPAI 2001) (non-precedential) (opinion delivered by SAPJ McKelvey for a panel that also consisted of APJs Lee and Medley), Ellsworth and Moore had obtained a patent naming Ellsworth and Moore as joint inventors. However, shortly before the Ellsworth and Moore patent issued, Ellsworth filed a patent application claiming the same invention and naming himself as the sole inventor. An interference was then declared between the Ellsworth application and the Moore et al. patent in which the issue was inventorship, not priority.

The board started from the proposition that “There is a presumption that the inventorship identified in an application or a patent is correct.”³⁸ Thus, the burden was on Ellsworth to explain his change of heart. That is, Ellsworth had initially filed a declaration naming himself as a joint inventor with Moore, but subsequently he filed a declaration naming himself as the sole inventor of the same subject matter. Which declaration should be credited? According to the panel:

We can agree in the abstract that a change in the scope of a claim can result in a need to change inventorship, particularly given 35 U.S.C. § 116 which does not require that all named

³⁸61 USPQ2d at 1504-05.

inventors have contributed to the conception of all elements in all claims. However, any time an inventor—particularly in a contested case—has a change of heart about inventorship, the inventor’s credibility necessarily becomes an issue.

The board, not the parties, resolves credibility issues. Even if it is assumed that the apparatus shown in the photograph referred to in the Ellsworth declaration testimony (Ex 2001, Attachment C) is an apparatus within the scope of each of...claims 1-15 of the Ellsworth and Moore patent, Ellsworth has not explained factually (1) what Moore had to do with the invention as originally claimed and (2) what limitation has been added or eliminated from the original claims which could legitimately cause Ellsworth’s change of heart. At the present time, the board is faced with a situation where Ellsworth has taken arguably inconsistent positions[,] and we are in no position to resolve which of Ellsworth’s positions, if any, is more likely to be the correct position. There is as much reason to assume that Ellsworth’s original joint declaration is accurate as there is to assume that Ellsworth’s later-filed sole declaration is accurate.³⁹

Accordingly, the panel held that Ellsworth had not carried his burden of proof.

³⁹61 USPQ2d at 1505; footnotes omitted.

Comment

If a husband gets home late from the office, gives his wife a facially plausible explanation of why he was late, but then the next morning gives his wife another, equally facially plausible but inconsistent explanation of why he was late, which explanation should she believe? Ellsworth essentially asserted that his second declaration should automatically be credited. However, the panel held that the second-in-time declaration is not automatically more credible. Rather, the party with the burden of proof has to make a very detailed explanation of his change in heart, leaving it up to the panel to decide which declaration to believe. I think that most wives would have a similar view.

C. The Trial Section's Instructions for Taking Testimony in a Foreign Language

Wojciak v. Nishiyama

In Wojciak v. Nishiyama, 61 USPQ2d 1573 (PTOBPAI 2001) (non-precedential) (memorandum opinion and order by SAPJ McKelvey, not joined by any other APJ), Judge McKelvey has finally published his standard order for the taking of testimony in a foreign language. That order is extremely detailed and highly idiosyncratic.⁴⁰ It should be carefully reviewed by any counsel who will be involved in the taking of testimony in a foreign language.

Comments

Judge McKelvey serves as a Spanish-English interpreter in the local court system where he lives, and his order is no doubt strongly influenced by his personal experience as an interpreter. However, in my opinion, he makes needlessly complicated what is ordinarily a very

⁴⁰For instance, it specifies in detail a very elaborate and time consuming voir dire of each interpreter.

simple procedure. Accordingly, it is worth pointing out that, while other APJs enter the same order, in practice they often waive many of the more onerous requirements of the order—particularly if they are sitting through the depositions.

D. A Declaration Describing Comparative Tests Can Be Stricken As Hearsay if CrossExamination of the Declarant Reveals Questions Concerning Whether the Declarant Actually Conducted the Test

Wojciak v. Nishiyama

In Wojciak v. Nishiyama, 61 USPQ2d 1576 (PTOBPAI 2001) (non-precedential) (opinion delivered by SAPJ McKelvey for a panel that also consisted of APJs Schafer and Medley), inventor Nishiyama’s declaration said that certain comparative tests had been “conducted [1] by me or [2] under my supervision or [3] by my co-inventor or [4] under his [i.e., Mikuni’s] supervision...”⁴¹ However, on cross-examination Mr. Nishiyama first stoutly maintained that he personally had conducted all of the tests and then asserted that he really did not remember who had conducted the tests. That did not make a good impression on the panel. Wojciak moved to strike the relevant portions of Mr. Nishiyama’s declaration as containing hearsay, and the panel granted the motion, saying:

Counsel for Wojciak attempted to clarify the conflict during cross-examination. However, Yuko Nishiyama’s attempts to reconcile the conflict between his declaration testimony and his cross-examination (quoted above) are unintelligible and unsatisfactory. After Wojciak filed its objection, and after the above-noted cross-examination of Yuko Nishiyama, counsel for

⁴¹61 USPQ2d at 1578; bracketed interpolations in the text.

Nishiyama (1) at the cross-examination deposition should have recognized the conflict between the declaration and cross-examination testimony, and the unclear manner in which Yuko Nishiyama attempted to reconcile the conflict, and (2) should have taken steps to have Yuko Nishiyama clarify the matter, if he could. Alternatively, given the declaration testimony and the Wojciak objection, and prior to cross-examination, Nishiyama had an opportunity to file, and could have filed, supplemental declarations of Yuko Nishiyama, Hiroyuki Mikuni, both and/or perhaps even others, to establish the facts surrounding who conducted the experimental work.

Lacking from the record is sufficient credible testimony to permit us to accurately determine, as a matter of fact, who conducted what experiment. Likewise lacking from the record is sufficient testimony to permit us to reconcile the conflict in the testimony of Yuko Nishiyama. Accordingly, we decline to find that Yuko Nishiyama conducted all, or even some (and if so, which) of the experiments upon which Nishiyama seeks to rely. Accordingly, we agree with Wojciak that the objected to paragraphs of the Nishiyama declaration are hearsay to the extent they seek to establish that, in fact, the experiments were conducted,

as described, and that, in fact the resulting data was obtained, as described.⁴²

Comment

O'r weening pride has brought many a witness down. If Mr. Nishiyama had simply said in his declaration that he had conducted some of the experiments, that Mr. Mikuni had conducted some of the experiments under his supervision, and that he no longer remembered which were which, he probably would not have gotten into this embarrassing situation.

E. Allegation that a Communication of the Invention Took Place “On July 20 to 26, 1991” Made in Connection with an Assertion of Derivation It Is Not Indefinite or Insufficient

Rose v. Frazer

In Rose v. Frazer, 61 USPQ2d 1606 (PTOBPAI 2001), Frazer filed a 37 CFR 1.628 motion to substitute a new preliminary statement. His original preliminary statement asserted that he had communicated the invention to Rose “on July 20 to 26, 1991,” and Frazer’s proposed new preliminary statement alleged that the communication took place “on July 20, 1991.”⁴³ The reason for Frazer’s concern was that 37 CFR 1.629(a) states that “Doubts as to the definiteness or sufficiency of any allegation in a preliminary statement...will be resolved against the party filing the statement by restricting the party...to the latest date of a period alleged in the preliminary statement....”⁴⁴

⁴²61 USPQ2d at 1581.

⁴³61 USPQ2d at 1606.

⁴⁴61 USPQ2d at 1607.

The panel, somewhat surprisingly, decided that Frazer would not be restricted to July 26, 1991 for the date of communication and that Frazer’s original preliminary statement was adequate:

The “July 20 to 26” allegation in the ‘929 preliminary statement is sufficient notice to Frazer’s opponent of when communication is said to have taken place. No amendment to the ‘929 preliminary statement is necessary in this case at this time. We will deny Frazer Miscellaneous Motion 1 without prejudice. In the future, should Frazer or Frazer’s opponent believe that it has suffered actual prejudice as a result of the events discussed herein, the board will entertain a further motion seeking appropriate relief.⁴⁵

F. The SAPJ Authorizes the Taking of Cross-Examination in the United Kingdom

Bronshtein v. Roser

I have written previously about the APJs vexing hostility toward the production of witnesses for cross-examination outside the United States. Gholz, Producing Witnesses in an Interference for Cross-Examination Abroad, 7 Intellectual Property Today No. 5 at page 6 (2000). In Bronshtein v. Roser, 61 USPQ2d 1742 (PTOBPAI 2000) (non-precedential) (order by SAPJ McKelvey not joined by any other APJ), SAPJ McKelvey authorized the cross-examination of one of Roser’s witnesses in London, England, but only on a number of conditions. Notable among those conditions were (1) that Roser had to “pay the excess costs

⁴⁵61 USPQ2d at 1608.

(i.e., air travel and per diem) for two of Bronshtein’s counsel to travel to London, England”⁴⁶ and (2) that “Roser (not Bronshtein) would have to comply with the requirements of 37 CFR § 1.671(j).”⁴⁷

Comments

SAPJ McKelvey did not define either “excess costs” or “per diem,” and both definitions could make a huge difference in the cost of taking the deposition in England. Moreover, it is unclear that the cost of presenting a witness for cross-examination outside the United States should be treated as an “excess cost” at all. It is a lot cheaper to fly between Heathrow Airport and Dulles Airport than it is to fly between Dulles Airport and a lot of airports in the United States!

As for 37 CFR 1.671(j), there is nothing in Judge McKelvey’s opinion that suggests that the parties had tried to get him to waive it on stipulation. Since complying with 37 CFR 1.671(j) (a) can be quite expensive and (b) adds nothing to the credibility of the witness’s testimony, I

⁴⁶61 USPQ2d at 1744.

⁴⁷61 USPQ2d at 1744. 37 CFR 1.671(j) reads as follows:

The weight to be given deposition testimony taken in a foreign country will be determined in view of all the circumstances, including the laws of the foreign country governing the testimony. Little, if any weight may be given to deposition testimony taken in a foreign country unless the party taking the testimony proves by clear and convincing evidence, as a matter of fact, that knowingly giving false testimony in that country in connection with an interference proceeding in the United States Patent and Trademark Office is punishable under the laws of that country and that the punishment in that country for such false testimony is comparable to or greater than the punishment for perjury committed in the United States. The administrative patent judge and the Board, in determining foreign law, may consider any relevant material or source, including testimony, whether or not submitted by a party or admissible under the Federal Rules of Evidence.

recommend that an effort be made to get any APJ who is considering granting leave to present a witness for cross-examination outside the United States to waive compliance with 37 CFR 1.671(j).

G. An Interferent that Requests Entry of Adverse Judgment Cannot “Reserve” Rights for Later

Eli Lilly and Co. v. Cameron

Periodically a party that requests entry of adverse judgment will try to “reserve” its alleged right to argue unpatentability/invalidity of its opponent’s claims in another forum. Eli Lilly and Co. v. Cameron, 61 USPQ2d 1863 (PTOBPAI 2001) (non-precedential) (opinion delivered by APJ Tierney for a panel that also consisted of SAPJ McKelvey and APJ Lee), was one such case, and the panel’s opinion makes it emphatically clear that, at least insofar as the PTO is concerned, one cannot do that. As the expression goes, the future is now.

H. A Party Filing a 37 CFR 1.633(c)(3) Motion to Have an Opponent’s Claim Designated as Corresponding to the Count Must Demonstrate that It (i.e., the Moving Party) Complied With 35 USC 135(b)

Rohrmann v. Alt

In Rohrmann v. Alt, 61 USPQ2d 1957 (PTOBPAI 2001) (non-precedential) (opinion delivered by SAPJ McKelvey for a panel that also consisted of APJs Schafer and Torczon), Alt had filed a 37 CFR 1.633(c)(3) motion to designate Rohrmann’s claim 5 as corresponding to count 2—on which Rohrmann had conceded priority. In other words, if Alt could get Rohrmann’s claim 5 designated as corresponding to count 2, it would get a judgment that Rohrmann was not entitled to that claim. Alt had apparently complied with all of the requirements set forth in 37 CFR 1.637(c)(1)(iii). However, the panel added a new requirement. According to it:

The rules should not be read in a vacuum. Rather, they should be interpreted consistent with applicable statutory provisions. Rohrmann correctly notes in its opposition that at this time Alt cannot present a claim...[such as Rohrmann's claim 5] because Alt did not present such a claim within one year after the date the Rohrmann patent issued.⁴⁸

Of course, Alt was not trying to present such a claim. What it was trying to do was to get a judgment that Rohrmann was not entitled to such a claim. Nevertheless, the panel ruled that Alt was not entitled to the relief that it was seeking because it was not entitled to other relief which it was not seeking:

It is not enough to obtain relief that Alt may have complied with the procedural requirements of Rule 637(c)(3) if Alt does not also comply with the statute. Alt made no reasonable attempt to show that it timely presented a claim directed to the same, or substantially same, invention as defined by Rohrmann claim 5. We decline to undertake the role of an advocate for Alt against Rohrmann and search the record to determine if Alt timely presented a claim consistent with the requirements of § 135(b).⁴⁹

⁴⁸ 61 USPQ2d at 1959; footnote omitted.

⁴⁹ 61 USPQ2d at 1959; emphasis in the original.

Comment

How far will the board push this new doctrine? For instance, will it rule that the party in Alt's position has the burden of proving that, if it were to present such a claim, it would be patentable to it over the prior art? Patentability over the prior art is also required by the statute.

I. Section 19 of the Standing Order Does Not Authorize an Interferent to Request a Copy of a "Standard Test" Not Otherwise Identified

Scott v. Gbur

Section 19 of the Trial Section's standing order authorizes interferences to request from their opponents legible copies of "patent[s], literature reference[s] and test standards (e.g., an ASTM test)" mentioned in their specification. However, Scott v. Gbur, 62 USPQ2d 1959 (PTOBPAI 2002) (opinion by SAPJ McKelvey for a panel that also consisted of APJs Schafer and Torczon), makes it clear that Section 19 only applies if the test standard is identified in the specification. Here the specification in question only referred to a "standard test" without further identifying it, and the panel explained that Section 19 did not apply. However, it volunteered that:

Scott may be entitled to additional discovery of the nature of the Gbur "standard test." 37 CFR § 1.687(c). If Scott believes that it is entitled to additional discovery on the issue of pore size, including the nature of the "standard test," it may file a miscellaneous motion under 37 CFR § 1.635 seeking discovery upon complying with all requirements associated with miscellaneous motions, including those set out in § 26, 28 and 32 of the STANDING ORDER.⁵⁰

⁵⁰62 USPQ2d at 1960.

Comment

One might think that the obvious solution was simply to order Gbur to serve a copy of the “standard test” on Scott. However, the board used to require interferences to automatically serve on their opponents copies of all documents referred to in their specifications, and it abandoned that requirement when members of the interference bar said it was a waste of paper. Perhaps the panel suspected that a similar result might obtain here. By putting the onus on Scott, it could be pretty sure that Scott wouldn’t file a motion asking for a copy of the “standard test” unless he really cares what the “standard test” is.

J. The Existence of an Interference in Fact is a Threshold Issue Which May Make Decision on Other Pending Motions Moot

Han v. Livak

In Han v. Livak, 63 USPQ2d 1364 (PTOBPAI 2002) (non-precedential) (opinion delivered by SAPJ McKelvey for a panel that also consisted of APJs Spiegel and Gardner-Lane), a panel of the Trial Section ruled that, if it grants a 37 CFR 1.633(b) motion finding that there is no interference in fact, it need not decide other pending motions even though they were proper when filed and have been fully briefed. The panel recognized that what it was doing was contrary to earlier opinions of the board,⁵¹ but it stated that:

At this point in time, we need not address on its merits the correctness of what appears to be a *per se* rule announced by the panel in its *Gustavsson* opinion.

Rather, we believe that a subsequent and binding Federal Circuit event has

⁵¹Notably Gustavsson v. Valentini, 25 USPQ2d 1401 (PTOBPAI 1991), and Fiddes v. Baird, 30 USPQ2d 1481 (PTOBPAI 1993).

overtaken the rationale upon which *Gustavsson* is based. The event was *In re McGrew*, 120 F.3d 1236, 43 USPQ2d 1632 (Fed. Cir. 1997), in which the Federal Circuit made it crystal clear that § 135(b) is a statute of repose. 120 F.3d at 1237, col. 2, 43 USPQ2d at 1634, col 1. *See also In re Berger*, 279 F.3d. 975, 61 USPQ2d 1523 (Fed. Cir. 2002). Section 135(b) cannot be much of a statute of repose if (1) an interference is inadvertently declared contrary to § 135(b), (2) a preliminary motion by a patentee for judgment based on § 135(b) against an applicant is granted, but (3) nevertheless the patentee’s claims may be subject to an *inter partes* priority or patentability attack. Given the *McGrew* event, were *Gustavsson* being decided today, we believe that the result should, and would, not be the same.⁵²

Comment

A cynic would point out that the opportunity to avoid work appears to be more persuasive to some of the APJs than the opportunity to be of service to the customers of the PTO.

The current tendency of the Trial Section to decide the fewest issues possible may prove the validity of the principle “Be careful what you ask for, you might get it.”

In the “brave new world” of 1984, the PTO sought and obtained statutory changes enabling the PTO to proclaim to all that “The object of the interference will be to resolve all controversies as to all interfering subject matter defined by one or more counts.” Notice of Final Rule, Patent Interference Proceedings, 49 Fed. Reg. 48416, December 12, 1984 (cited in the board’s footnote 11 at 63 USPQ2d 1371). The pre-Trial Section panel in *Gustavsson*, decided in 1991, took the PTO’s proclamation at its words. However, that was then; the Trial Section is

⁵²63 USPQ2d at 1372.

now. Although the 1984 proclamation still stands, it is now “honored” far more in its breach than in its observance.

Nevertheless, it is still a desirable goal to settle all issues in an interference that the parties want to have settled, and Han v. Livak provides a very poor pulpit for the board’s arguments for exercising its discretion to avoid work. It is interesting to note that the motions that the board declined to decide were (1) a motion by patentee Livak for a judgment that applicant Han’s involved claims were unpatentable under 35 USC 135(b)⁵³ and (2) a motion by Livak to “strike” a preliminary statement filed by Han “or otherwise confine Han” to its effective filing date.⁵⁴ It is difficult to see how decisions on those motions would have been burdensome to the board.⁵⁵

If, as the board decided, Han’s involved claims were not drawn to the “same patentable invention” as the Livak patent claims, it is difficult to see how they could be “the same as, or for the same or substantially the same subject matter as” Livak’s claims as required for 35 USC 135(b)’s prohibition to apply. Thus, the denial of the motion based on 35 USC 135(b) would seem to follow logically from the ruling of no interference in fact—and it presumably would have cost the panel very little effort to say so.

As for Livak’s motion to strike the preliminary statement or otherwise limit Han to its effective filing date, it seems to me that it again would have required very little additional effort

⁵³63 USPQ2d at 1366, Fact 9.

⁵⁴63 USPQ2d at 1366, Fact 10.

⁵⁵In fairness, the board’s recommendation under 37 CFR 1.659 regarding further prosecution of Han’s application suggests that the panel was not just trying to avoid work in declining to decide the motions. The review resulting in the recommendation probably required more time than decisions on the motions would have required. Hence, it is likely that the board declined to consider the motions in order to have a vehicle to express its views on Gustavsson.

by their honors to decide the motion on its merits. Moreover, the decision would have 37 CFR 1.658(c) preclusive effect that would prevent what otherwise seems to be an inevitable next round of litigation.

As luck would have it, the board's opinion in Han was scooped by the Federal Circuit's opinion in Berman v. Housey,⁵⁶ which was decided after, but published before, the board's opinion in Han. Berman confirms the board's discretion to decline to decide other motion after a decision holding the junior party applicant's claims unpatentable under 35 USC 135(b).⁵⁷ However, neither Berman nor Han disputed the "rationale" of Gustavsson and Perkins v. Kwon⁵⁸ that there is a strong public interest in following the PTO's stated goal of settling all issues of patentability between the parties during the interference. In my opinion, that was good policy then, and it remains good policy now. Moreover, I was informed by counsel for Livak that Livak filed an appeal from the panel's decision, so the Federal Circuit will presently have the opportunity to say so.

K. A District Court Handling a 35 USC 291 Patent-Patent Interference Should Determine One or More Counts

Slip Track Systems, Inc. v. Metal-Lite, Inc.

According to dictum in Slip Track Systems, Inc. v. Metal-Lite, Inc., 304 F.3d 1256, 64 USPQ2d 1423 (Fed. Cir. 2002),⁵⁹ a district court handling a 35 USC 291 patent-patent

⁵⁶291 F.3d 1345, 63 USPQ2d 1023 (Fed. Cir. 2002).

⁵⁷291 F.3d at 1351-54, 63 USPQ2d at 1027-30.

⁵⁸886 F.2d at 325, 12 USPQ2d at 1308 (Fed. Cir. 1989).

⁵⁹This 35 USC 291 action was previously before the Federal Circuit. See 159 F.3d 1337, 48 USPQ2d 1055 (Fed. Cir. 1998), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 81 JPTOS 241 (1999) at pages 251-53.

interference should determine one or more counts or the equivalent of counts as the first order of business—just like the board does in an interference in the PTO:

Most interferences arise in the PTO, involve an interference between two applications or an application and one or more patents, and begin with the creation of a “count.” The count defines the interfering subject matter and corresponds to a patentable invention. 37 C.F.R. § 1.601(f) (2001). The count may be identical to a single claim at issue or may be broader than the particular claims at issue. Id. This case, however, is one of a handful where the interference is between issued patents and arises in district court, where PTO procedures do not govern. Nonetheless, in order to provoke an interference in district court under § 291, the interfering patents must have the same or substantially the same subject matter in similar form as that required by the PTO pursuant to 35 U.S.C. § 135.⁶⁰

In this case the district court did not define the bounds of the interfering subject matter. [However?] There is no dispute that the patents interfere.⁶¹

As with a count in the administrative interference process before the PTO, the description of interfering subject matter must be broad enough to encompass the

⁶⁰304 F.3d at 1263, 64 USPQ2d at 1427-28; emphasis supplied. Note the inconsistency between this statement and the court’s statements in Talbert Fuel Systems Patents Co. v. Unocal Corp., discussed *supra*!

⁶¹304 F.3d at 1264, 64 USPQ2d at 1428.

common subject matter of the claims in both patents, in this case, the claims of the '760 patent and the claims of the '203 patent.³

³We need not address whether there are separate patentable inventions in this case so as to warrant multiple descriptions of interfering subject matter, as the parties dispute only whether the wallboard is a limitation in the interference.⁶²

Comment:

Regrettably, the Federal Circuit did not state positively that a district court handling a 35 USC 291 action should decide upon one or more counts—much as a district court handling a patent infringement action decides upon a construction of disputed claim limitations in a Markman hearing. However, it certainly implied as much, and indeed doing so will avoid many fruitless arguments by telling the parties the scope of the relevant evidence before they go to the expense of putting on their evidence.

XI. PATENTABILITY ISSUES ARISING IN AN INTERFERENCE CONTEXT

Nothing relevant this year.

XII. COURT REVIEW OF DECISIONS IN INTERFERENCES

A. The Fact that the Parties Litigated Priority Before the Board Does Not Mean That, in a Subsequent 35 USC 146 Action, A Party Can Argue for Priority on a Basis that it Did Not Argue Before the Board

Abbott Laboratories v. Hope

It is now black letter law that, in a 35 USC 146 action, a party cannot raise an issue that it did not raise before the board. However, the meaning of the word “issue” in this context is

⁶²304 F.3d at 1265, 64 USPQ2d at 1428-29.

painfully unclear. As I said in my write-up of Estee Lauder Inc. v. L'Oreal, S.A., 129 F.3d 588, 44 USPQ2d 1610 (Fed. Cir. 1997):⁶³

In Conservolite [Conservolite, Inc. v. Widmayer], 21 F.3d 1098, 30 USPQ2d 1626 (Fed. Cir. 1994)] the majority said that “The issues presented by the parties were not raised during the interference; therefore, they were not properly before the district court.” Obviously, the question here is the meaning of the word “issues” in the quote from Conservolite. In Estee Lauder, there were at least four possible interpretations of that term. In descending order of breadth, they were: (1) had the party Smith et al. proved priority—i.e., had the party Smith et al. proved that it made the invention before the party Hocquaux et al.’s effective filing date; (2) had the party Smith et al. proved that it had actually reduced to practice the invention defined by the count before the party Hocquaux et al.’s effective filing date; (3) had the party Smith et al. proved that that its tests employing the first set of samples constituted an actual reduction to practice of the invention defined by the count before the party Hocquaux et al.’s effective filing date; and (4) had the party Smith et al. proved that the first set of samples contained the active ingredient recited in the count.⁶⁴

⁶³Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 80 JPTOS 321 (1998) at pages 351-54.

⁶⁴80 JPTOS at 353; footnote omitted.

In Estee Lauder, the Federal Circuit held that, so long as an interferent attempted to prove an actual reduction to practice before the board, during a subsequent 35 USC 146 action it can introduce evidence of a different alleged actual reduction to practice.

Abbott Laboratories v. Hope, 224 F. Supp.2d 1200, 64 USPQ2d 1638 (N.D. Ill. 2002), provides further enlightenment on the issue of what is an issue within the meaning of this rule. In that case, Abbott had asserted a pre-filing date actual reduction to practice in its preliminary statement, but it did not attempt to prove that actual reduction to practice during the administrative phase of the interference. However, it indicated that it intended to prove that actual reduction to practice in the 35 USC 146 action that it brought to review the board's judgment.

The district court asked both parties to submit memoranda discussing the issue of whether or not Abbott was entitled to prove its alleged actual reduction to practice. The parties did so, and the district court held that Abbott Laboratories was not entitled to do so.

In its memorandum, Abbott maintains that an issue is "raised" if mentioned in a preliminary statement, whether the issue was briefed and argued or not, and thus that the issue of Backman's actual date of reduction to practice is a proper subject for consideration in the present action. COH [City of Hope] contends that Abbott has waived that issue, and that I should confine my attention to the two issues identified by the parties in their briefs [before the board]. City of Hope is correct. By failing to properly raise the issue below, Abbott has indeed waived its

opportunity to litigate the issue of Backman's actual date of reduction to practice.⁶⁵

Abbott...argues that[,] since priority was the subject of the hearing below, allowing it to prove Backman's actual date of reduction to practice would merely be admitting new evidence on the central issue, which was unquestionably raised below. But the fact that priority, in general, was raised before the board does not mean that Abbott may now choose to prove priority via a novel theory. The Federal Circuit has held^[66] that such switching of theories is impermissible at this point in the process. Estee Lauder, Inc. v. L'Oreal, S.A., 129 F.3d 588 [44 USPQ2d 1610] (Fed. Cir. 1997), concerned a § 146 action following an interference resolving a patent dispute between rival cosmetics manufacturers. At the administrative level, Estee Lauder relied solely on the theory that it was first to reduce the invention to practice. L'Oreal won priority, and Estee Lauder filed a § 146 appeal [sic]. The district court held that Estee Lauder should be awarded priority on a theory not considered below, that of prior conception and diligent reduction to practice. The Federal Circuit reversed, in part because the district court erred in considering whether "Estee Lauder was the first to conceive the invention and was diligent in reducing it to practice...because Estee Lauder failed to raise this issue before the board." Id., 592.

⁶⁵224 F. Supp.2d at 1202, 64 USPQ2d at 1640.

⁶⁶Actually, as I pointed out in my write-up of Estee Lauder, the Federal Circuit's statement to this effect was pure dictum. 80 JPTOS at footnote 126 and accompanying text.

The parties must abide by the issues they agreed upon in their final briefs to the Board. The scope of this action shall therefore be limited to:

(1) whether R. Bruce Wallace invented the subject matter of the interference before December 11, 1987; and

(2) whether or not inventorship was proper in the Wallace application.⁶⁷

Comments

While the district court's holding has the virtue of creating a bright line of demarcation, I have great difficulty seeing any substantive difference justifying the difference in results between the Federal Circuit's holding in Estee Lauder and the district court's holding here.

After I had sent counsel for the parties a draft of this write-up, R. Danny Huntington, counsel for Abbott, wrote me as follows:

I would like for you to think about possible ramifications of the ruling. You are the senior party, as we were, and you make an assessment of the evidence and decide they have not met their burden, so you do not put in priority evidence. You lose at the PTO even though you are right. However, in the 146 action that you file solely to add to the expert testimony you provided at the PTO, your opponent puts in additional testimony which now meets their burden. Why should you be foreclosed from now putting in your evidence? The effect of the ruling by the Fed. Cir. and the court in Chicago is that you can never take the chance of not putting in at least some priority evidence on each issue to preserve your rights.

⁶⁷224 F. Supp.2d at 1203, 64 USPQ2d at 1640.

I agree. However, the teaching lesson here is not limited to priority evidence. One can never assume that an opponent that put on a poor showing on any issue will not put on a better showing in a 35 USC 146 action.

XIII. POST INTERFERENCE PRACTICE

Nothing relevant this year.

XIV. RELATIONSHIP OF INTERFERENCE PROCEEDINGS TO COURT PROCEEDINGS

A. **Are Judgments in Interferences Entitled to Issue Preclusion Effect or Aren't They?**

Novo Nordisk A/S v. Bio-Technology General Corp.

In Coakwell v. United States, 292 F.2d 918, 130 USPQ 231 (Ct. Cl. 1961), the Court of Claims said that:

It is obvious that a decree of the District Court [pursuant to 35 U.S.C. § 146] upholding the action of the Patent Office... would be a final adjudication of the question [of priority] and would be *res adjudicata* [*sic*] in all other courts, and defendant would not be heard to say in this court that plaintiff was not the first inventor. Where the losing party fails to effectively review the Patent Office action in one of the courts and it becomes final, it is equally binding on the parties.

[The United States, which was the assignee of the losing interferent] has had "its day in court." It had the opportunity to present before the Patent Office and the District Court all the facts and advance all the arguments presented here. It is this opportunity that is the basis for the rule of *res adjudicata* [*sic*]. We think it

should be applied here. Defendant should not be permitted to relitigate an issue already litigated and finally decided.⁶⁸

The opinions of the Court of Claims are, of course, supposed to be binding precedent in the Federal Circuit. South Corp. v. United States, 690 F.2d 1368, 215 USPQ 657 (Fed. Cir. 1982) (in banc). Nevertheless, a panel of the Federal Circuit cast doubt on the continued validity of Coakwell (without, however, mentioning it by name) in Novo Nordisk A/S v. Bio-Technology General Corp., ____ F.3d ____, ____ USPQ2d ____, 2002 U.S. App. Lexis 25389 (November 26, 2002) (non-precedential) (opinion delivered by Circuit Judge Schall for a panel that also consisted of Circuit Judge Rader and Senior Circuit Judge Archer), 2002 U.S. App. Lexis 25389.

Novo was a patent infringement action. The district court had granted Novo a preliminary injunction. The Federal Circuit vacated the preliminary injunction on the ground that Novo had failed to establish a reasonable likelihood of success on the merits. The issues on appeal all concerned BTG's validity defenses. Of importance to the interference bar is that Novo and BTG had previously litigated an interference involving Novo's patent in suit (called "the '352 patent"). The district court stated that "the fact that BTG initiated an interference [what difference does it make who initiated the interference?!] in order to take claim 1 of the '352 patent from Novo tends to support the fact that claim 1 is valid over the prior art."⁶⁹ On appeal, BTG argued that the district court had erred in relying on its participation in the interference. In response, Novo argued that, "because it participated in the interference proceeding involving the

⁶⁸*Id.* at 920-21, 130 USPQ at 234. See also Hoeltke v. C.M. Kemp Mfg. Co., 80 F. 2d 912, 924, 26 USPQ 114, 127 (4th Cir.) (dictum), *cert. denied*, 298 U.S. 673 (1936). See generally Gholz, Collateral Estoppel Effect of Decisions by the Board of Patent Interferences, 65 JPOS 67 (1983).

⁶⁹Slip opinion at 6, ____ F.3d at ____, ____ USPQ2d at ____, 202 U.S. App. Lexis at *8, quoting the district court's opinion 207 F.Supp.2d at 325 (footnote omitted) at *8.

‘352 patent, BTG is estopped from challenging the patent’s validity.’⁷⁰ Surprisingly, the panel of the Federal Circuit ducked that issue, saying that:

Since it was not a basis for the district court’s decision, we decline to reach the matter of judicial estoppel.⁷¹

Comment

The Court of Claims did not treat the prior participation in an interference as a matter of judicial estoppel! It was far more than that. Under Coakwell, the prior participation in an interference (in which the party being estopped had the right to challenge validity via a 37 CFR 1.633(a) motion) resulted in what we now call issue preclusion. That is, BTG had an opportunity in the interference to challenge the validity of the claims in the ‘352 patent designated as corresponding to the count, and, whether or not it did so (the Federal Circuit’s opinion does not tell us whether or not it did so), BTG should not have the right to litigate that issue in the subsequent infringement action.

XV. CONCLUSION

There were no earth-shaking interference opinions this year, but there certainly were a lot of interesting opinions—including several with high entertainment value!

⁷⁰Slip opinion at 8, ____ F.3d at ____, ____ USPQ2d at ____, 2002 U.S. App. Lexis at *11.

⁷¹Slip opinion at 11 n.3, ____ F.3d at ____ n.3, ____ USPQ2d at ____ n.3, 2002 U.S. App. Lexis at *15 n. 3.