

PATENT INTERFERENCE PROCEEDINGS BEFORE THE U.S. PTO

What Are Patent Interference Proceedings?

Patent interference proceedings are a form of highly specialized administrative litigation. They are often referred to as “priority contests,” meaning proceedings designed to decide which party made its invention first. That is what they originally were. However, that terminology is now obsolete. In the great majority of cases, interferences are now functionally oppositions or cancellation proceedings. That is, in most cases the issues that are actually litigated are patentability issues, not priority issues. Specifically, the issues litigated in interferences now are typically patentability over the prior art and adequacy of disclosure.

Who Decides Patent Interference Proceedings?

Patent interference proceedings are decided by administrative patent judges (“APJs”), who are senior PTO officials who make their livings deciding cases of this sort. That means that they are extremely efficient at what they do. That also means that their decisions are usually “correct” (even in the view of losing counsel) and, in any event, are not “off the wall.”

How Much Do Patent Interference Proceedings Cost?

There is a wide variety in the cost of patent interference proceedings. For one thing, most patent interference proceedings settle, and, if they settle quickly, they can be remarkably inexpensive. However, for planning purposes at the outset, you need to assume that the case in which you are interested won’t settle. On that assumption, you should be budgeting \$250,000 to \$1,000,000 for the litigation.

Is that a lot? Well, compared to what? It is a lot more than typical patent prosecution,

but it is a lot less than a typical district court patent litigation.

How Long Do Patent Interference Proceedings Last?

As with cost, there is a wide range. However, for planning purposes one should assume that an interference that doesn't settle will last approximately two years at the administrative level.

Is There Court Review of a Decision by the Administrative Patent Judges?

Yes. In fact, there are two different types of court review available, at the option of the parties. However, court review is rare enough so that it is not worth discussing in an introductory piece such as this.

What is the Procedure?

Patent interference proceedings are potentially divided into two phases, although relatively few patent interferences make it to the second phase. The first phase, called the preliminary motions phase, is the phase during which the patentability issues are decided. The second phase, called the priority phase, is the phase during which the APJs decide who made the invention first. In most cases, the preliminary motions phase is outcome determinative. That is, at the end of the preliminary motions phase, the APJs normally enter judgment against one, both, or all of the parties—meaning that there is no need to ascertain which party made the invention first.

During the preliminary motions phase, each party is given the opportunity to file motions supported by declarations, usually by expert witnesses. (The expert witnesses are usually university professors, technical consultants, or the like.) The other side then has the opportunity

to cross-examine the moving party's expert witness or witnesses. Then the opponent can file an opposition to each motion, supported by declarations of its own expert witness or witnesses. Then, the party that filed the motion can cross-examine its opponent's expert witness(es). Then the first party can file a reply to each opposition supported by declarations from its expert witness(es). Then the second party can cross-examine the first party's expert witness(es). Then the first party can file a paper commenting on (and explaining) the results the last round of cross-examination. All of this takes time and costs money.

After the motions, oppositions, and replies are all in, the case is set down for a hearing before a panel, usually consisting of three APJs.

After the hearing, one generally receives a decision from the panel within two to four months.

Can a Foreigner Win an Interference?

I've repeatedly heard foreign clients say that they would rather give up immediately than litigate an interference because "non-U.S. parties cannot win interferences."

This is natural equine-origin fertilizer. To begin with, approximately 25% of all interferences are between or among non-U.S. parties, so a non-U.S. party will win at least most of those interferences. (There is a small probability that judgment will be entered against both or all parties, so no non-U.S. party will win.)

Moreover, there is no advantage or disadvantage to being a non-U.S. party during the preliminary motions period of an interference.

Finally, our xenophobic law that made it very difficult for a non-U.S. party to win as to priority was changed a number of years ago, so non-U.S. parties have an equally good chance of

winning as to priority.

Is It Still Important to Keep Good Laboratory Records?

If you've heard anything at all about interference proceedings, it is probably that priority is usually determined based on written records, notably including laboratory notebook records. That's still true—but only for cases that make it to the priority phase. Thus, there is an important first decision to be made at the outset. Do you want to pay your interference counsel to organize and assemble your priority evidence given the high probability that this case will not make it to the priority phase? If this case doesn't make it to the priority phase, the cost of organizing the priority evidence will be wasted. On the other hand, if this case does make it to the priority phase and you haven't organized the priority evidence, you could lose a case which you otherwise could win.

Is There Anything Else that You Should Do Even Before the Interference Is Declared?

The first papers (called “the 14-day papers”) are due 14 days after the interference is declared. They are relatively straight forward, but counsel does have to know what he or she is doing—and the interference bar is very small. Accordingly, if you think there is any chance that you will be involved in one of the 200 or so interferences that are declared each year, it is desirable to select your interference counsel in advance. That way your very first filing in this case will not be belated!