

A CRITIQUE OF RECENT OPINIONS
IN PATENT INTERFERENCES¹

Charles L. Gholz²

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

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I. INTRODUCTION

This article covers precedential and interesting non-precedential opinions³ relating to interferences published since those covered in my previous article at 83 JPTOS 161 (2001).⁴

II. CONCEPTION

A. **A Conception Must Be of Every Limitation Recited in a Count -- Unless a Limitation Adds Nothing to the Count Beyond the Other Recited Limitations and Is Redundant to the Count**

Hitzeman v. Rutter

In Hitzeman v. Rutter, 243 F.3d 1345, 58 USPQ2d 1161 (Fed. Cir. 2001) (opinion delivered by Circuit Judge Michel for a panel that also consisted of Circuit Judges Linn and

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court into those that are “precedential” (i.e., those that may be cited to the court as precedent) and those that are “non-precedential” (i.e., those that may not be cited to the court as precedent). The non-precedential opinions were formerly called “unpublished” opinions, but the court changed its terminology after noting that many of its “unpublished” opinions were in fact published in the United States Patents Quarterly.

The Federal Circuit attempts to discourage citation of its non-precedential opinions to its “feeder” courts and agencies.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 However, the non-precedential opinions of the Federal Circuit have at least the same status as law review articles written by the judges of the Federal Circuit, and in practice some of the non-Trial Section administrative patent judges seem to welcome citation of the non-precedential opinions of the Federal Circuit.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least some guidance to what the court might do again, and the administrative patent judges can use language out of the non-precedential opinions even if they cannot cite them. On the other hand, section 14 of the Trial Section’s “STANDING ORDER” says that “Non-precedential decisions of federal courts shall not be cited,” but “Non-precedential decisions of the board may be cited, but are not binding.”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 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).

Dyk), the court reconciled two diverging lines of opinions. On the one hand, in Coleman v. Dines, 754 F.2d 353, 359, 224 USPQ 857, 862 (Fed. Cir. 1985), the court had said that, to establish conception, “a party must show possession of every feature recited in the count, and that every limitation of the count must have been known to the inventor at the time of the alleged conception.” On the other hand, in Silvestri v. Grant, 496 F.2d 593, 599, 181 USPQ 706, 709 (CCPA 1974) (Rich J.), the count recited the molecular weight of the compound in dispute, Silvestri’s conception evidence did not show conception of the molecular weight, and the court nevertheless held that Silvestri had proved conception of the subject matter of the count. In Hitzeman, the court reconciled those two opinions by noting that, in Silvestri, it had said that the molecular weight limitation “add[ed] nothing to the count definition beyond that determined by the water content and infrared spectrograph,”⁵ which were also recited in the count.

Accordingly, it said that:

To invoke the “inherent conception” rule of Silvestri, the inventor needs to show that the allegedly inherent property adds nothing to the count beyond the other recited limitations, and is redundant to the count. Silvestri, 496 F.2d at 599, 181 USPQ at 709. *** Moreover, consistent with the law of inherent anticipation, an inherent property must necessarily be present in the invention described by the count, and it must be so recognized by the persons of ordinary skill in the art. See Continental Can Co. v. Monsanto Co., 948 F.2d 1264, 1268, 20 USPQ2d 1746, 1749 (Fed. Cir. 1991); Riney [v. Thomas], 77 F.2d 525, 25 USPQ 418 (CCPA

⁵496 F.2d at 599, 181 USPQ at 709.

1935)], 77 F.2d at 528, 25 USPQ at 421 (noting that the inherent property “would be at once apparent to any one skilled in the art”).⁶

Comments

(1) It is preferable to avoid such controversies by moving to substitute a count that does not contain any redundant limitations!

(2) Is it really necessary to prove all three of (1) that the recitation of the allegedly inherent property “adds nothing to the count beyond the other recited limitations,” (2) that the recitation of the allegedly inherent property “is redundant to the count,” and (3) that the fact that the limitation in question is inherent “would be at once apparent to any one skilled in the art”? I would think that at least the first two of those three requirements are themselves redundant -- that is, that, if one of them is satisfied, the other one will inherently be satisfied as well.

B. A Putative Inventor Can Assert Her Inventorship Right in an Interference

Chou v. University of Chicago

Chou v. University of Chicago, 254 F.3d 1347, 59 USPQ2d 1257 (Fed. Cir. 2001)

(opinion delivered by Circuit Judge Lourie for a panel that also consisted of Chief Circuit Judge Mayer and Circuit Judge Bryson), was primarily a 35 USC 256 ¶ 2 action to name Dr. Chou as the or a joint inventor on a number of patents owned by the University of Chicago that named

⁶243 F.3d at 1355, 58 USPQ2d at 1167; emphasis supplied.

only the professor for whom she had formerly worked as the sole inventor.⁷ During the course of discussing that issue and the procedures used in such actions, the court off-handedly noted that:

One other means for a putative inventor to assert her inventorship right is for her to file her own patent application and seek to have the PTO declare an interference in order to establish inventorship. However, such a procedure is not at issue here.⁸

Comments

The court's footnote is accurate. The leading opinion is Sewall v. Walters, 21 F.3d 411, 30 USPQ2d 1356 (Fed. Cir. 1994) (Rich, C.J.) (determining inventorship is nothing more than determining who conceived the subject matter at issue), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 77 JPTOS 427 (1995) at pages 429-31.⁹

⁷Timothy Vezeau, counsel for that professor (Dr. Roizman), pointed out to me after having received a draft of this write-up that, technically, Dr. Chou worked for the university, not for Prof. Roizman. That is, of course, true. What I mean is that Dr. Chou was Prof. Roizman's graduate assistant and, later, his post-doc.

⁸254 F.3d at 1358 n.2, 59 USPQ2d at 1262 n.2.

⁹Mr. Vezeau also questioned (1) whether Dr. Chou had the right to file a patent application, given that she had assigned her ownership rights to the university; (2) whether Dr. Chou could have filed a patent application when she filed her 35 USC 256 ¶ 2 action given that, by that time, Prof. Roizman's patent was a 35 USC 102(b) bar to her; and (3) how the APJs could have assessed the credibility of the competing inventive entities.

My answer to Mr. Vezeau's first question is that Dr. Chou would have had the same right to file a patent application as Dr. Walters had in Sewall v. Walters. That right flows from the sharp distinction that the PTO and the Federal Circuit make between an inventor's rights and the rights of the owner of the invention. See generally Beech Aircraft Corp. v. EDO Corp., 990 F.2d 1237, 26 USPQ2d 1572 (Fed. Cir. 1993) (Rich, C.J.) (There is a difference between determining which of two rival company claimants owns an invention and determining which of two rival

(continued...)

Moreover, I would add (1) that the expense of correcting inventorship in an interference should be much less than the expense of correcting inventorship via a 35 USC 256 ¶ 2 action and (2) that the chances of obtaining an accurate determination of inventorship is probably higher in an interference than it is in a 35 USC 256 ¶ 2 action.

III. CLASSICAL DILIGENCE

A. **The Absence of Evidence that an Individual Who Was Allegedly Diligently Reducing the Invention to Practice Was Doing Something Else Counts as Evidence that the Individual Was Working Diligently on Reducing the Invention to Practice**

Monsanto Co. v. Mycogen Plant Science, Inc.

It is notoriously difficult to prove continuous classical diligence. As the court said in Monsanto Co. v. Mycogen Plant Science, Inc., 261 F.3d 1356, 59 USPQ2d 1930 (Fed. Cir. 2001)

⁹(...continued)

inventive entities made the invention first, and the board has jurisdiction to decide the priority issue despite the pendency of district court litigation over title between the assignees of the parties before it), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 76 JPTOS 649 (1994) at pages 677-80.

My answer to Mr. Vezeau's second question is that a party in Dr. Chou's position (like Dr. Walters) normally claims the benefit of the filing date of the party in Prof. Roizman's position. (Of course, if the party in Dr. Chou's position does not file its first application until after the patent of the party in Prof. Roizman's position has already issued, this only works if the party in Prof. Roizman's position has a continuation pending. However, that is usually the case.)

My answer to Mr. Vezeau's third question is that the APJs on the Trial Section regularly hear live testimony to assess the credibility of the competing inventive entities where credibility is at issue. That is, they don't usually hear live testimony where the issue is straight priority, but they do in derivation and inventorship cases. See Gholz, A Critique of Recent Opinions in Patent Interferences, 83 JPTOS 161 (2001) at page 201 Comment 2; and XX v. YY, 59 USPQ2d 1245, 1248 paragraph 50 (PTOBPAI 1999) (discussing and apparently giving great weight to an assessment of a witness's demeanor during her cross-examination before an APJ).

(opinion delivered by Circuit Judge Linn for a panel that also consisted of Circuit Judges Clevenger and Bryson):

The law regarding diligence is settled. The evidence must show that the alleged earlier inventor was diligent throughout the entire critical period.

Fitzgerald v. Arbib, 268 F.2d 763, 766, 122 USPQ 530, 532 (CCPA 1959); Rieser v. Williams, 255 F.2d 419, 424, 118 USPQ 96, 100-01 (CCPA 1958); Wilson v. Sherts, 81 F.2d 755, 762, 28 USPQ 379, 386 (CCPA 1936).¹⁰

However, this opinion provides a brand new avenue for dealing with embarrassing gaps in one's evidence of diligence. In this case, the inventor's notebook showed sporadic work on the invention over the critical period. There were substantial gaps in the evidence of work on the invention, but the notebook did not show that the inventor had been at work on any other project during that period. According to the Federal Circuit, the absence of any evidence that he was working on any other project during that period was evidence that he was working on the project in question:

Moreover, with regard to each of the gaps, the notebook entries suggest that the work on Bt2, Bt3, and Bt4 was ongoing without interruption, despite the lack of daily entries. The suggestion arises from the description in the notebook entries

¹⁰261 F.3d at 1369, 59 USPQ2d at 1938.

of ongoing experiments throughout the period, as well as the lack of evidence of intervening work on other projects during this time period.¹¹

Comment

The absence of entries in the inventor's notebook during the numerous gaps is at least equally consistent with the inventor's having been working on other, routine projects--which in his opinion did not merit mention in his laboratory notebook.

IV. ACTUAL REDUCTION TO PRACTICE

A. **A Domestic Priority Application Need Not Disclose the Applicant's Best Mode in Order to Constitute a Constructive Reduction to Practice**

Cromlish v. D.Y.

In Cromlish v. D.Y., 57 USPQ2d 1318 (PTOBPAI 2000) (expanded panel) (opinion delivered by APJ Torczon for a panel that also consisted of SAPJ McKelvey and APJs Schafer, Lee, Gardner-Lane, and Medley), the en banc Trial Section held that a domestic priority application need not disclose the applicant's best mode in order to constitute a constructive reduction to practice. The Trial Section reasoned that, although the disclosure of a best mode in a U.S. priority application is required to antedate a reference for patentability purposes:

Priority benefit, by contrast, does not establish the applicant's entitlement to a given date for the purpose of determining the patentability of a claim. Rather, it establishes a date for a party's constructive reduction to practice of all elements of the count. *** Priority is not a basis for granting a patent to that party; rather, it

¹¹261 F.3d at 1370, 59 USPQ2d at 1939.

is the basis for denying patentability to another party under 35 U.S.C. 102(g)(1). Consequently, it is not apparent why it should be necessary for a priority benefit application to satisfy all the requirements for the patentability of a claim as long as it is sufficient to show prior invention by another.¹²

Comment: In Transco Products Inc. v. Performance Contracting Inc., 38 F.3d 551, 32 USPQ2d 1077 (Fed. Cir. 1994) (Rich, J.), the Federal Circuit said:

Section 120...does not exempt the best mode requirement from its reach, and therefore this court must accept the plain and precise language of section 120 as encompassing the same. Accordingly, the date for evaluating a best mode disclosure in a continuing application is the date of the earlier application with respect to common subject matter.

In a similar vein, it has been held that, in the context of a priority claim under 35 U.S.C. § 119, one looks to the foreign application and its filing date to determine the adequacy of the best mode disclosure and not to the filing date of the corresponding U.S. application.¹³

Of course, Judge Rich was writing about patentability, not priority. However, the breadth of his language suggests that one should not rely on the Trial Section's holding as a done deal.

¹²57 USPQ2d at 1319.

¹³38 F.3d at 557-58, 32 USPQ2d at 1082; footnotes omitted.

Nevertheless, if the Trial Section’s holding does hold up, and if it is extended to foreign as well as domestic priority applications, that will certainly be good news for practitioners who are relying on the benefit of a foreign priority date for priority purposes, since foreign patent attorneys and agents often do not disclose the best mode.

B. In Order for a Non-Employee’s Actual Reduction to Practice to Inure to the Benefit of the First to Conceive the Invention, the First to Conceive the Invention Must Convey His or Her Conception of Whatever Aspect of the Invention is Later in Issue to the Person Who Reduced the Invention to Practice

Cooper v. Goldfarb

Cooper v. Goldfarb, 240 F.3d 1378, 57 USPQ2d 1990 (Fed. Cir. 2001) (opinion delivered by Circuit Judge Schall for a panel that also consisted of Circuit Judges Clevenger and Rader), is a follow-on to Cooper v. Goldfarb, 154 F.3d 1321, 47 USPQ2d 1896 (Fed. Cir. 1998) (“Cooper I”), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 81 JPTOS 241 (1999) at 245-247. In Cooper I, the court affirmed the board’s holdings (1) that Cooper conceived the invention first, but (2) that Goldfarb reduced the invention to practice first, using materials supplied to him by Cooper. However, the court remanded the case to the board “for consideration of whether Goldfarb’s work in reducing the invention to practice might have inured to Cooper’s benefit, therefore entitling Cooper to priority of invention.”¹⁴ On remand, the board held that Goldfarb’s actual reduction to practice did not inure to Cooper’s benefit, and the Federal Circuit affirmed.

¹⁴240 F.3d at 1380, 57 USPQ2d at 1991.

The invention was an artificial vascular prosthesis made from expanded polytetrafluoroethylene (“PTFE”), and the aspect of the invention at issue was that the fibrils of the expanded PTFE used in the prosthesis “are about above 5 microns up to 100 microns in length.” The expanded PTFE that Cooper had sent Goldfarb responded to that limitation, but Cooper did not tell Goldfarb (who did not work for Cooper’s company) that there was any significance to the length of the fibrils. That fact was fatal to Cooper’s case:

While Cooper was not required to communicate his conception to Goldfarb, Cooper I, 154 F.3d at 1332, 47 USPQ2d at 1905, his failure to convey [to Goldfarb] any information or requests regarding fibril length prevents Goldfarb’s determination of the fibril lengths of the material from inuring to his [i.e., Cooper’s] benefit.¹⁵

Comment

I cannot square the court’s holding in Cooper I that, in order for Goldfarb’s work to inure to Cooper’s benefit, Cooper was not required to communicate his conception to Goldfarb with the court’s holding in Cooper II that Goldfarb’s work did not inure to Cooper’s benefit because Cooper did not communicate to Goldfarb “any information or requests regarding fibril length...” The only limitation at issue was fibril length! Is the court saying that, when the individual who reduced the invention to practice was the second to conceive the invention and did not work for the first to conceive the invention, the first to conceive the invention must communicate to the second to conceive the invention information concerning whatever limitation in the count is later

¹⁵240 F.3d at 1385, 57 USPQ2d at 1995.

at issue, but he or she need not communicate anything else concerning the invention to the individual who conceived the invention second and who actually reduced it to practice?

C. **An Actual Reduction to Practice May Not Count if the Inventor Did Not Appreciate Before He or She Did the Work that the Method He or She Used Would Yield the Result that It Did --Even if He or She Appreciated the Result When It Was Achieved**

Mycogen Plant Science, Inc. v. Monsanto Co.

It has been the law since Hector was a pup that “reduction to practice cannot be established nunc pro tunc. There must be contemporaneous recognition and appreciation of the invention represented by the count[].” Breen v. Henshaw, 472 F.2d 1398, 1401, 176 USPQ 519, 521 (CCPA 1973). Regrettably Mycogen Plant Science, Inc. v. Monsanto Co., 243 F.3d 1316, 58 USPQ2d 1031 (Fed. Cir. 2001) (opinion delivered by Circuit Judge Clevenger for a panel that also consisted of Circuit Judges Bryson and Linn), seems to suggest in dictum an additional complexity to that well-settled law. Mycogen unsuccessfully argued that Monsanto’s inventors had not made “a true reduction to practice”¹⁶ because, when they carried out their work, they did not have an appreciation that the method they employed would achieve the result that it did. That was not the usual no nunc-pro-tunc actual reduction to practice argument, because Monsanto’s inventors had clearly recognized and appreciated the significance of the result that they had just achieved when they achieved it. Thus, the court treated Mycogen’s argument as an argument for the extension of the law relating to no nunc pro tunc actual reductions to practice:

Mycogen’s arguments appear to touch upon the related doctrine of accidental anticipation. Past cases have indicated that accidental, unappreciated

¹⁶243 F.3d at 1335, 58 USPQ2d at 1046.

results should not be regarded as anticipatory. See, e.g., Tilghman v. Proctor, 102 U.S. 707, 711-12 (1880) (stating that results that were “accidentally and unwittingly produced” do not anticipate future discoveries); Eibel Process Co. v. Minn. & Ont. Paper Co., 261 U.S. 45, 66 (1923) (stating that “accidental results, not intended and not appreciated, do not constitute anticipation”).¹⁷

Instead of saying that the doctrine of “accidental anticipation” has nothing to do with the requirements for an actual reduction to practice, the court said that “It follows [from the law relating to accidental anticipations] that an accidental, unappreciated reduction to practice should not constitute a ‘true’ reduction to practice for the purposes of determining priority of invention or anticipation pursuant to section 102(g).”¹⁸ However, the court held that the work by Monsanto’s inventors was a “true” reduction to practice, but only because “there is no evidence that the reduction to practice performed by Monsanto was in any way accidental”¹⁹ in that that work “was part of a research program specifically directed towards finding a ... [result of the general type which they did in fact find].”²⁰ This suggests that, if Monsanto’s inventors had achieved that result while working on a different project entirely, their work would not have been a “true” actual reduction to practice even if the inventors had immediately recognized and appreciated the significance of what they had accidentally achieved.

¹⁷243 F.3d at 1335-36, 58 USPQ2d at 1046.

¹⁸243 F.3d at 1336, 58 USPQ2d at 1046.

¹⁹243 F.3d at 1336, 59 USPQ2d at 1046.

²⁰243 F.3d at 1336, 58 USPQ2d at 1046.

Comment

The court's suggestion is nuts, and I believe (or hope) that it won't be followed. However, the fact that the court treated Mycogen's argument seriously will no doubt result in the argument's being made again.

D. An Actual Reduction to Practice Requires Construction of the Claimed Invention Even If the Invention Is Simple

Edwards v. Strazzabosco

In Edwards v. Strazzabosco, 58 USPQ2d 1836 (PTOBPAI 2001) (non-precedential) (opinion delivered by APJ Medley for a panel that also consisted of SAPJ McKelvey and APJ Lee), Edwards argued that a provisional application that had gone abandoned before its application in interference was filed (i.e., Edwards was not entitled to the benefit of the filing date of the provisional application under 35 USC 120) was an actual reduction to practice of subject matter within the count! According to the panel's opinion:

Apparently, Edwards is under the impression that an actual reduction to practice of a claimed invention does not require construction of the claimed invention if the invention is "simple" or an improvement of another device. Edwards relies on *Scott v. Finney*,^[21] 34 F.3d 1058, 10062, 32 USPQ2d 1115, 1119 (Fed. Cir. 1994), in support of its argument that "mere synthesis of the

²¹Scott v. Finney is discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 77 JPTOS 427 (1995) at pages 434-35.

subject matter in the provisional application was sufficient to show that it would operate satisfactorily.”²²

Not surprisingly, Edwards’s argument did not fly. As the panel correctly said:

The discussion in *Scott* centers on what type of *testing* (of an already constructed device) is appropriate for demonstrating an actual reduction to practice.

In order to establish an actual reduction to practice, the inventor must prove that: (1) an embodiment was *constructed* or a process was *performed* that met *all the limitations of the interference count*; and (2) that the invention would work for its intended purpose. *Eaton v. Evans*, 204 F.3d 1094, 1097, 53 USPQ2d 1696, 1698 (Fed. Cir. 2000). *See also UMC Elecs. Co. v. United States*, 816 F.2d 647, 652, 2 USPQ2d 1465, 1468 (Fed. Cir. 1987) (“[T]here *cannot* be...[an actual] reduction to practice of the invention...*without a physical embodiment* which includes all limitations of the claim [sic; count].”) (Emphasis added); and *Corona Cord Tire Co. v. Dovan Chem. Corp.*, 276 U.S. 358, 383 (1928); (a machine is [actually] reduced to practice when it is assembled, adjusted and used. A manufacture is [actually] reduced to practice when it is completely manufactured; quoted in *Pfaff v. Wells Electronics, Inc.*, 119 S.Ct. 304, 307 n.2 [48 USPQ2d 1641] (1998)).²³

²²58 USPQ2d at 1841-42.

²³58 USPQ2d at 1842; first interpolation supplied by me; second and third interpolations supplied by APJ Medley; fourth interpolation supplied by the editor of the USPQ2d.

Comment

Edwards might have done a little better citing In re Asai/America Inc., 48 F.3d 1204, 33 USPQ2d 1921 (Fed. Cir. 1995) (an invention that has no moving parts can be reduced to practice without testing it to see if it works), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 78 JPTOS 550 (1996) at pages 551-53. However, even that astounding opinion does not go as far as Edwards was attempting to take the law.

V. PEELER DILIGENCE²⁴

A. **Proof Negating Suppression or Concealment Need Not Arise From Activities Occurring in the United States**

Apotex USA, Inc. v. Merck & Co., Inc.

An interferent that reduced the invention to practice can lose the benefit of the actual date of that actual reduction to practice if he thereafter suppresses or conceals the invention. Paulik v. Rizkalla, 760 F.2d 1270, 226 USPQ 224 (Fed. Cir. 1985) (en banc), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 69 JPTOS 657 (1987) at pages 658-62. Suppression or concealment can be established either by evidence of actual suppression or concealment or by evidence of an unreasonable delay in filing a patent application on the invention after it has been actually reduced to practice. Fujikawa v. Wattanasin, 93 F.2d 1559, 39 USPQ2d 1895 (Fed. Cir. 1996), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 79 JPTOS 271 (1997) at pages

²⁴So 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).

283-85. The inference of suppression or concealment that can be drawn from delay in filing a patent application can be rebutted by evidence of activity during the period between the actual reduction to practice and the filing. Correge v. Murphy, 705 F.2d 1326, 217 USPQ 753 (Fed. Cir. 1983). An unanswered question, however, was whether the activity relied on to rebut the inference of suppression or concealment had to be in the United States. In Apotex USA, Inc. v. Merck & Co., Inc., 254 F.3d 1031, 59 USPQ2d 1139 (Fed. Cir. 2001) (opinion delivered by Circuit Judge Lourie for a panel that also consisted of Circuit Judges Clevenger and Linn), the court answered that question in the negative. According to the court:

The plain language of §102(g) clearly requires that the prior invention be made “in this country.” However, in light of the grammatical structure of § 102(g), it would be a strained reading of that provision to interpret the language “in this country” to also modify the requirement that the prior invention was “not...abandoned, suppressed, or concealed.” A more reasonable interpretation is that it only modifies the antecedent verb “made,” but not the “abandoned, suppressed, or concealed” clause that follows it. Had Congress intended the phrase “in this country” to modify “abandoned, suppressed, or concealed,” it would have inserted language to that effect.²⁵

Accordingly, the court held that proof negating suppression or concealment need not arise from activities occurring within the United States.

²⁵254 F.3d at 1036, 59 USPQ2d at 1142.

Comment

This is another step in placing foreign interferents on an equal footing with U.S. interferents. Just as foreign interferents normally make their inventions abroad, they normally engage abroad in whatever activities they wish to rely on to rebut an inference of suppression or concealment. This opinion ensures that they will be able to rely on proof of those activities to maintain the benefit of the dates of their early actual reductions to practice.

VI. CONSTRUCTIVE REDUCTION TO PRACTICE

A. **According to a Panel of the Trial Section, Approximately 75% of All Senior Parties Prevail on the Issue of Priority**

Edwards v. Strazzabosco

Regrettably the board has stopped publishing interference statistics.²⁶ However, in Edwards v. Strazzabosco, 58 USPQ2d 1836 (PTOBPAI 2001) (non-precedential) (opinion delivered by APJ Medley for a panel that also consisted of SAPJ McKelvey and APJ Lee), a panel of the Trial Section asserted (without citation of authority) that:

Given that approximately 75% of all senior parties involved in an interference prevail, the requirements of Rule 608(b) make sense.²⁷

The provisions of rule 608(b) provide ample basis for an examiner to issue a patent to an applicant who is 17 months senior to another applicant. Such action

²⁶The last time that it did so was in Calvert and Sofocleous, Interference Statistics for Fiscal Years 1992 to 1994, 77 JPTOS 417 (1995).

²⁷58 USPQ2d at 1840.

by the examiner makes sense, given that approximately 75% of all senior parties involved in interferences prevail on the issue of priority.²⁸

Comments

(1) The difference between the two assertions is important. According to public statements by SAPJ McKelvey, under the new procedures very few interferences reach the priority/derivation stage. Accordingly, the party that “prevails” in most interferences does so on the basis of its preliminary motions. Thus, contrary to repeated assertions by the Trial Section, interferences really are not “priority contest[s] to determine between two or more parties who was the first to invent the interfering subject matter.”²⁹ Instead, they are vehicles for the parties to attack each other’s claims on patentability grounds. In such disputes, which party is senior has relatively little importance.

(2) The panel’s assertion that the senior party prevails (whatever the panel meant by that) approximately 75% of the time is surprising. According to the statistics published by the board the last time that it did publish statistics, the senior party prevailed 52.5% of the time, the or a junior party prevailed 31.7% of the time, there was a split judgment (i.e., there was more than one count, and a different party prevailed as to at least two counts) 0.7% of the time, there was a judgment against both parties (i.e., a judgment that all of both or all parties’ claims designated as corresponding to the count or all of the counts were unpatentable) 9.4% of the

²⁸58 USPQ2d at 1840-41.

²⁹58 USPQ2d at 1840.

time, and there was a judgment that there was no interference in fact (i.e., in a sense, a judgment that both or all parties prevail) 5.8% of the time.

VII. DERIVATION

Nothing relevant this year.

VIII. THE 35 USC 135(b) BAR

Nothing relevant this year.

IX. CORROBORATION

A. **The Uncorroborated Testimony of a Named Inventor Can Be Used to Prove that He Communicated the Invention to Others**

Purdue Pharma L.P. v. Boehringer Ingelheim GMBH

The relevant passage in Purdue Pharma L.P. v. Boehringer Ingelheim GMBH, 237 F.3d 1359, 57 USPQ2d 1647 (Fed. Cir. 2001) (opinion delivered by Chief Judge Mayer for a panel that also consisted of Circuit Judges Michel and Schall), is very short, and it may not stand for the proposition that the uncorroborated testimony of a named inventor can be used to prove that he communicated the invention to others. However, that is certainly what it appears to say.

The corroboration issue came up in the invalidity context, not the patent interference context. Boehringer Ingelheim argued that the patent in suit was anticipated by one of Purdue's own patents, but Purdue argued that it had antedated the effective date of that patent. Since Purdue relied on the testimony of one of the named inventors to antedate the reference, the issue of concern here was whether the named inventor's testimony had been sufficiently corroborated.

The Federal Circuit first cited Price v. Symsek, 980 F.2d 1187, 26 USPQ2d 1031 (Fed. Cir. 1993), for the proposition that:

Where a party seeks to show conception through oral testimony of an inventor, it must produce independent evidence corroborating that testimony. Price, 988 F.2d at 1195, 26 USPQ2d at 1036-37. Such evidence is to be evaluated under a rule of reason. Id.³⁰

The court then turned to the testimony of the named inventor, which concerned three documents that the district court had “found demonstrated conception and [actual] reduction to practice.”³¹

According to the Federal Circuit:

[The named inventor’s] testimony provided an adequate explanation of the documents, which indicate that...[the named inventor] communicated the invention to others. The district court did not err, under the rule of reason, in holding that the group of documents constitutes adequate proof of conception and reduction to practice. See Price, 988 F.2d at 1196, 26 USPQ2d at 1037-38.³²

Comment

How could the named inventor’s testimony that he had communicated the invention to others establish that he had done so without corroborating evidence independent of the named

³⁰237 F.3d at 1365, 57 USPQ2d at 1651.

³¹237 F.3d at 1366, 57 USPQ2d at 1651.

³²237 F.3d at 1366, 57 USPQ2d at 1651.

inventor? It seems to me that the court is using the “rule of reason” to do away altogether with the requirement for corroboration.³³

B. An Uncorroborated Document by a Named Inventor Can Be Used to Prove that He Conceived the Invention

The court has twice suggested that an uncorroborated document by a named inventor can be used to prove that he conceived the invention.

Cooper v. Goldfarb

Continuing its attack on the requirement for corroboration, a panel of the Federal Circuit in Cooper v. Goldfarb, 240 F.3d 1378, 57 USPQ2d 1990 (Fed. Cir. 2001) (opinion delivered by Circuit Judge Schall for a panel that also consisted of Circuit Judges Clevenger and Rader), distinguished Gianladis v. Kass, 324 F.2d 322, 139 USPQ 300 (CCPA 1963) (Rich, J.), on the ground that:

Gianladis’ uncorroborated laboratory notebooks indicated that he had conceived the invention before he sent the pertinent material for testing. Id. at 322, 139 USPQ at 302. Thus, ... [Gianladis did not] address[] a situation where the inventor had not conceived the invention before he sent for testing the material relied upon to establish reduction to practice.³⁴

³³See Singh v. Brake, 222 F.3d 1362, 55 USPQ2d 1673 (Fed. Cir. 2000), discussed in Gholz, A Critique of Recent Opinions in Patent Inferences, 83 JPTOS 161 (2001), at pages 170-71.

³⁴240 F.3d at 1384, 57 USPQ2d at 1993-94.

This statement suggests that an inventor's uncorroborated laboratory notebook can be used to prove that he or she conceived the invention -- which, of course, is flatly contrary to generations of interference law.³⁵

Comment

Perhaps their Honors did not realize what they were saying. In any event, what they were saying was dictum. The court reached the same result that it would have reached if it had not so interpreted Gianladis. Moreover, other panels of the court have given more weight to traditional corroboration requirements. See, e.g., Hahn v. Wong, 892 F.2d 1028, 13 USPQ2d 1313 (Fed. Cir. 1990) (holding that the affidavit of a co-inventor was not corroborated by the affidavits of two colleagues who averred that they had “read and understood” the co-inventor’s laboratory notebook but who did not indicate any first hand knowledge of the experiments described in the co-inventor’s laboratory notebook), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 73 JPTOS 700 (1991) at 701-703.

Mycogen Plant Science, Inc. v. Monsanto Co.

Similarly, in Mycogen Plant Science, Inc. v. Monsanto Co., 252 F.3d 1306, 58 USPQ2d

³⁵See, e.g., Reese v. Hurst, 661 F.2d 1222, 1225, 211 USPQ 936, 940 (CCPA 1981) (“adoption of the ‘rule of reason’ has not altered the requirement that evidence of corroboration must not depend solely on the inventor himself.”). The classic opinion on this point is Mergenthaler v. Scudder, 11 App. D.C. 264, 1897 C.D. 724 (D.C. Cir. 1897), quoted with approval by the Federal Circuit in Price v. Symsek, 988 F.2d 1187, 26 USPQ2d 1031 (Fed. Cir. 1993). In addition to Mergenthaler, the opinion in Price also cited Cislak v. Wagner, 215 F.2d 275, 281-82, 103 USPQ 39, 41-42 (CCPA 1954); Fields v. Knowles, 183 F.2d 593, 601, 86 USPQ 273, 279-80 (CCPA 1950); Amex Fly Ash v. United States, 514 F.2d 1841, 1047-48, 182 USPQ 210, 215 1041 (Ct. Cls.); and Coleman v. Dines, 754 F.2d 353, 359, 224 USPQ 857, 865 (Fed. Cir. 1985), all leading opinions on the point that conception cannot be proved by an inventor’s uncorroborated testimony. Many earlier opinions are discussed at 1 Revise and Caesar, Interference Law and Practice, pp. 381-388 (1940).

1891 (Fed. Cir. 2001) (opinion delivered by Circuit Judge Bryson for a panel that also consisted of Circuit Judges Clevenger and Linn), the court discussed “testimony by the Monsanto inventors, Dr. Fischhoff and Dr. Perlak, and a memorandum prepared by Dr. Fischhoff on October 30, 1986, that documented their ideas at that time”³⁶ proffered to prove conception by October 30, 1986 and found that they did not do so, not because they were not corroborated, but because the memorandum did not disclose one aspect of the invention. That, of course, could be dismissed as a mere alternative holding (the implicit alternative being that the memorandum did not prove conception because it was uncorroborated). However, the court then went on to find that conception had been proved as of a later date by an equally uncorroborated page from Dr. Perlak’s lab notebook:

The question remains whether the record supports any particular date as the date of Monsanto’s conception as a matter of law. Monsanto argues that its conception was established by September 8, 1987, at the latest. That was the date on which Dr. Perlak pasted the design of a gene in his lab notebook and wrote that the solution was to “order a new gene synthesized, using plant preferred codons.” That statement shows conception of the invention in a clear and convincing way, and Mycogen has not argued to the contrary. Accordingly, we conclude that the record compels the conclusion that Monsanto had conceived the invention by September 8, 1987, at the latest.³⁷

³⁶252 F.3d at 1312, 58 USPQ2d at 1896.

³⁷252 F.3d at 1314, 58 USPQ2d at 1897.

Comment

Again, the question remains whether the court realized the import of what it was saying.

X. INTERFERENCE PRACTICE

A. **An Expert's Declaration About What Would or Would Not Have Been Obvious to One of Ordinary Skill in the Art Must Explain What the Expert Understands by the Phrase "One of Ordinary Skill in the Art" and Must Address any Prior Art Mentioned in the Examiner's 37 CFR 1.609(b) Statement**³⁸

GN v. SW

In GN v. SW, 57 USPQ2d 1073 (PTOPBAI 2000) (expanded panel) (opinion delivered by SAPJ McKelvey for a panel that also consisted of APJs Schafer, Lee, Torczon, Gardner-Lane, and Medley), the Trial Section gave teeth to the admonition in section 42 of the NOTICE DECLARING INTERFERENCE that:

Affidavits expressing an opinion of an expert must disclose the underlying facts or data upon which the opinion is based. *See* Fed. R. Evid. 705 and 37 CFR §§ 1.639(b) and 1.671(b).

Opinions expressed without disclosing the underlying facts or data may be given little, or no, weight. *See Rohm and Haas Co. v. Brotech Corp.*, 127 F.3d 1089, 1092, 44 USPQ2d 1459, 1462 (Fed. Cir. 1997) (nothing in the Federal Rules of Evidence or Federal Circuit jurisprudence requires the fact finder to credit the unsupported assertions of an expert witness).³⁹

³⁸Note: 37 CFR 1.609 was amended effective October 20, 2000, to delete the requirements that the examiner explain "why each claim designated as corresponding to a count is directed to the same patentable invention as the count" and "why each claim designated as not corresponding to any count is not directed to the same patentable invention as any count." However, there are a lot of interferences in the board's inventory that contain such explanations.

³⁹57 USPQ2d at 1077.

GN's expert witness (Dr. RS) offered in support of its unopposed 37 CFR 1.633(c)(1) motion to substitute a narrower count had, in essence, testified that he was an expert, then stated his opinions concerning what would and would not have been obvious to one of ordinary skill in the art at the relevant time. However, notwithstanding the fact that the motion was unopposed, the panel denied it for two reasons.

First:

Based on his testimony, we cannot reasonably be sure if Dr. RS understands the meaning of "one of ordinary skill in the art." We generally give no weight to expert testimony on the ultimate issue of obviousness. However, the level of skill in the art is a factual matter and is properly the subject matter of expert testimony. But, unless we know the expert's understanding of the meaning of the phrase "one of ordinary skill in the art," we are not in a very good position to give much weight to the expert's "level of skill in the art" testimony. We need to have some idea of "What does a person having ordinary skill in the art know?" A carpenter knows how to use a hammer and a saw. What does a person having ordinary skill in the one-vector and two-vector systems know? Dr. RS does not tell us.⁴⁰

Second, Dr. RS's declaration had not even mentioned the prior art relied on by the examiner in his 37 CFR 1.609(b) statement:

a complete analysis of whether success would have been expected necessarily must be based on all relevant prior art. Since Dr. RS does not mention the prior art cited by the examiner in the Rule 609(b) statement, we decline to credit his testimony with respect to whether one skilled in the art would or would not have expected success. Moreover, we will not undertake to evaluate Dr. RS's opinion vis-a-vis that of the examiner without an analysis by GN.⁴¹

⁴⁰57 USPQ2d at 1077.

⁴¹57 USPQ2d at 1077; emphasis in the original.

Comments

(1) SAPJ McKelvey does not offer any guidance for what interference counsel should tell their expert witnesses about the meaning of the phrase “one of ordinary skill in the art,” so I hereby offer a definition that I have used for years with my expert witnesses: A person of ordinary skill in the art (often referred to as a “POSITA”) is a person to whom an expert in the art could assign a task of moderate difficulty with reasonable assurance that the task would be done right without a great deal of supervision--in other words, a journeyman. I’ve never had an opposing counsel take issue with that definition.

(2) The teaching point on the second issue is, I think, completely noncontroversial. It is not enough for expert witnesses to state ultimate conclusions about obviousness. They must deal with the prior art known to them (including any prior art in the file of all cases in interference) and explain why something would or would not have been obvious at the relevant time in light of that prior art.

B. Unopposed Motions Are Not Necessarily Granted!

GN v. SW

The motion at issue in GN v. SW, 57 USPQ2d 1073 (PTOBPAI 2000) (expanded panel) (opinion delivered by SAPJ McKelvey for a panel that also consisted of APJs Schafer, Lee, Torczon, Gardner-Lane, and Medley), was unopposed, but it was still denied. It was a 37 CFR 1.633(c)(1) motion to substitute a narrower count, and it was filed as a part of a settlement agreement designed to give each party some patentable subject matter. The en banc Trial Section denied the motion for the reasons discussed in section X.A. It then went on to offer the following public warning to all interference practitioners:

The fact that a motion is not opposed does not operate to relieve a party from the burden of proof imposed on all parties filing motions by 37 CFR § 1.637(a).

We are under an impression-- perhaps incorrectly -- that parties filing an unopposed motion after “settlement” seem to believe that the board will, or should, “automatically” grant the motion. Many unopposed motions make only a minimal, often insufficient, effort to factually or legally support a position urged.

In a contested motion, the board can expect opposing parties to present both evidence and argument in favor of and against a particular position. Once there is a settlement, the interference at least in some respects ceases to be an adversarial proceeding. We encourage settlement and assume that all settlement efforts are good faith efforts. However, the fact that an interference may have been settled, pending resolution of certain patentability issues, should not be taken as a license to authorize a party to file a profunctory [sic; perfunctory] motion that the party feels we will, or have to, “automatically” grant. Moreover, settlement does not invest a party with authority to engage in shenanigans in an attempt to bamboozle the board into a certain result. The public interest associated with the grant of a patent for a patentable invention and [a] patent practitioner’s ethical obligation for candor before this tribunal simply demand more.⁴²

Comment

Often real parties in interest that have come to a business settlement are extremely desirous of minimizing further attorney’s fees. However, as this opinion graphically illustrates, that is not possible if the settlement involves getting a panel of the board to take some action other than simply entering judgment. As the saying goes, “It ain’t over until it’s over!”

C. There Is No Informal Appeal of an Interlocutory Order to the CAPJ

Fulano v. Abrano

⁴²57 USPQ2d at 1078.

In the old days (i.e., before the advent of the Trial Section), it was possible to informally “appeal” a particularly egregious interlocutory order by bringing it to the attention of what were then called the Chairman and Vice Chairman of the Board (now called the CAPJ and VCAPJ). No more!

In Fulano v. Abrano, 57 USPQ2d 1091 (PTOBPAI 2000) (per curiam) (panel consisting of CAPJ Stoner, SAPJ McKelvey, and APJ Ellis), someone (it wasn’t I!) tried that--and got royally hammered. That someone sent an email to the CAPJ, copy to opposing counsel, complaining about an interlocutory order by APJ Ellis denying an extension of time. The email ended as follows:

I am unsure what, if any, aid you can provide here, but if there is some relief that can be given, I would be most appreciative. Please advise if a conference call or other route would be appropriate.⁴³

That someone got neither the conference call nor the extension of time. Instead he or she got a stinging published opinion which included the following operative language:

The e-mail was plainly an attempt by counsel for the junior party to “appeal” a docket management decision by an APJ in a particular interference. But, there is no administrative appeal from a decision of an APJ. 37 CFR § 1.644(a). The e-mail is also inappropriate because it, in effect, sought to petition the Director without payment of the fee requirement [sic; required] by law. 37 CFR § 1.17(h).⁴⁴

Comment

There are actually two possible remedies in this situation.

⁴³57 USPQ2d at 1092.

⁴⁴57 USPQ2d at 1093; emphasis in the original.

The first possible remedy is to file a 37 CFR 1.644 petition (nominally to the Director, but actually to the CAPJ), pay the 37 CFR 1.17(h) petition fee, and sit back to wait for the CAPJ's decision on the petition. Since the decision is unlikely to be forthcoming rapidly enough to do any good, and since the decision is unlikely to provide the desired relief retroactively, that is seldom a meaningful remedy.

The second possible remedy is to file a petition for a writ of mandamus in the Federal Circuit. The CCPA made it very clear that such a petition could be filed from an interlocutory decision in an interference.⁴⁵ On the other hand, the CCPA rarely granted such petitions, and the Federal Circuit has continued that tradition.⁴⁶ However, the filing of such a petition has the great advantage of involving the Solicitor's office, which at least gets the issue outside the board and, on rare occasions, has led to an informal resolution of a problem that had proved intractable at the board.⁴⁷

D. One Cannot Avoid the Page Limits on Motions, Oppositions, and Replies by Putting One's Arguments in the Declarations of One's Expert Witnesses

LeVeen v. Edwards

⁴⁵See, e.g., Morris v. Diamond, 634 F.2d 1347, 1350 n.*, 208 USPQ 202, 204 n.* (CCPA 1980) (Rich J.) ("The interlocutory nature of ...[the Commissioner's] decision [on a petition in an interference] does not render it non-reviewable [via a petition for a writ of mandamus] per se. Our jurisdiction can extend to interlocutory matters if issuance of a writ would aid our subject matter jurisdiction.")

⁴⁶See generally Dunner et al., Court of Appeals for the Federal Circuit: Practice & Procedure Chapter 9, "Petitions for Extraordinary Writs," § 9.01 "Substantive Law."

⁴⁷The interference that I have particularly in mind is Wang et al. v. Tucholski v. Cataldi et al. v. Burroughs et al., Interference No. 103,036. The file is now publicly available.

The Trial Section's very stringent 25-25-10 page limits on motions, oppositions, and replies caused consternation when announced⁴⁸ and set members of the interference bar to work devising strategies for dealing with the new strictures. LeVeen v. Edwards, 57 USPQ2d 1406, 57 USPQ2d 1416 (PTOBPAI 2000) (expanded panel) (per curiam; panel consisting of SAPJ McKelvey and APJs Schafer, Lee, Torczon, Gardner-Lane, and Medley),⁴⁹ held that one of those strategies (putting one's arguments in the declarations of one's expert witnesses, which are not subject to a page limitation) will not work.

Section 13 of the notice declaring this interference stated (in language now present in the Trial Section's standing order) that:

Arguments presented in one paper shall not be incorporated by reference to [sic; into] another paper.⁵⁰

Edwards's motion, which was a 37 CFR 1.633(a) motion for a judgment that LeVeen's claims 43 and 44 are unpatentable over the prior art, contained the following argument:

That LeVeen's claims 43 and 44 are either anticipated by the Edwards' 597 patent or unpatentable [under 35 U.S.C. 103] over the Edwards' 597 patent in view of the Ende patent and/or the McFadden patent is demonstrated in Section

⁴⁸Many of the issues involved in interferences are factually complex, and many of the most frequently filed motions address a multiplicity of claims. In the view of many members of the interference bar, page limits of the kind imposed by the Trial Section are better suited to appellate courts than they are to trial courts, let alone administrative bodies.

⁴⁹In the interest of complete candor, I note that my colleagues James R. Boler, W. Todd Baker, and I represented Edwards.

⁵⁰57 USPQ2d at 1408.

IV of the first declarations of Dr. Allan Siperstein, Exhibit 5010, and Mr. Neil Sheehan, Exhibit 5015.⁵¹

According to the panel, putting the anticipation and obviousness arguments into the declarations of the expert witnesses was contrary to the Trial Section's ban on incorporations by reference:

Edwards, contrary to ¶ 13 of the NOTICE DECLARING INTERFERENCE, has incorporated "arguments" from the Siperstein and Sheehan declarations (Exs 5010 and 5015) into Edwards preliminary motion 1. Edwards misperceives the role of motions and evidence. Declarations are evidence. A motion is supposed to (1) lay out all relevant facts, with reference to the evidence which supports the facts, and (2) present an argument why the facts justify any relief requested in the motion.⁵²

The panel also explained that putting the arguments into the expert witnesses' declarations required it to "scour the record"⁵³ to find them and permitted Edwards to "avoid page limitations applicable to motions."⁵⁴

⁵¹57 USPQ2d at 1410; interpolation by the panel.

⁵²57 USPQ2d at 1412.

⁵³57 USPQ2d at 1412. The panel also asserted that "Edwards' effort totally sandbagged its opponent." 57 USPQ2d at 1412. However, LeVeen had not complained that Edwards's putting its arguments into its expert witnesses' declarations had caused it any inconvenience, and, in fact, it put its own arguments into the declaration of its own expert witness--where Edwards's counsel had no difficulty finding and responding to them.

⁵⁴57 USPQ2d at 1412.

Comments

(1) In requests for reconsideration of the decisions with respect to both motions, we argued that the references in the motions to the declarations of the expert witnesses were not incorporations by reference as that term has been used in the case law, citing In re de Seversky, 474 F.2d 671, 674, 177 USPQ 144, 146 (CCPA 1973) (Rich, J.) (“a mere reference to another application, or patent, or publication, is not an incorporation of anything therein into the application containing such reference for the purposes of the disclosure required by 35 U.S.C. 112”; emphasis in the original). The expanded panel rejected that argument for two reasons. First, it said that “Edwards should look to the Notice of Declaration, not to the case law, to understand what was meant.” Second, it said (a) that de Seversky “provid[es] that incorporation by reference requires a statement clearly identifying the subject matter which is incorporated and where it is to be found” and (b) that:

Edwards’ specific reference to Section IV of the declarations and the fact that the argument on unpatentability is supplied by the declarations rather than the motion, indicates that Section IV of the declaration was to become part of the motion “as if it were fully set out therein.”

(2) Interestingly, in another opinion that we recently received from a pre-Trial Section panel of the board, the panel complained about the fact that arguments contained in the declarations of the expert witness were repeated verbatim in the motion, thereby requiring the panel to read the arguments twice.

E. **The Board Does Not Have Jurisdiction to Add a Patent Owned by an Applicant Interferent to a Pre-Existing Application-Patent Interference**

Louis v. Okada

In Louis v. Okada, 57 USPQ2d 1430 (PTOBPAI 2000) (expanded panel) (opinion delivered by APJ Lee for a panel that also consisted of CAPJ Stoner, SAPJ McKelvey, and APJs Schafer, Torczon, Gardner-Lane, and Medley),⁵⁵ an expanded panel consisting of all of the then-members of the trial section and the CAPJ held (1) that the board does not have jurisdiction to add a patent owned by an applicant interferent to a pre-existing application-patent interference and (2) that, even if it does, it will exercise its discretion not to do so.

Although the opinion refers to only one interference, there are actually eight related application-patent interferences pending on what Louis's assignee ("Sauer") believes to be only one invention--or, at most, two inventions.⁵⁶ Accordingly, Sauer filed 37 CFR 1.633(c)(1) motions in the eight interferences, which, if granted, would have resulted in the redeclaration of the eight interferences with either one or two counts in total. That is, there would be identical counts in different interferences.

In addition, Sauer noted that Okada's assignee ("Kanzaki") owns two patents not involved in any of the eight interferences which, in Sauer's opinion, contain claims which are not patentably distinct from the claim involved in the eight related interferences.⁵⁷ Accordingly,

⁵⁵In the interest of complete candor, I note that my colleague W. Todd Baker and I represented Louis.

⁵⁶Each of the eight related interferences involve a different patent owned by Sauer and the same application owned by Okada's assignee.

⁵⁷Since the panel did not reach the merits of Sauer's motions, I submit that, in evaluating this opinion, the reader must assume that Sauer's belief is correct.

it filed the 37 CFR 1.635/1.642 motions that were the subject of the this opinion. Since it was aware of the Trial Section's then unpublished opinion in JD v. SH, www.uspto.gov/web/offices/dcom/bpai/its/104044.pdf,⁵⁸ it initially suggested that its motions be dismissed pro forma, thereby preserving the issue of the propriety of the Trial Section's holding in JD v. SH for appeal. However, APJ Lee sua sponte invited briefing on the issue of whether JD v. SH should be overruled, and the Trial Section set that issue down for oral argument before the super-expanded panel listed at the outset of this writeup.

The prior practice of the board had been contrary to JD v. SH. For instance, the same issue had been litigated before a pre-Trial Section panel of the board in Wu v. Wang, the interference involved in Winner Int. Royalty Corp. v. Wang, 202 F.3d 1340, 53 USPQ2d 1580 (Fed. Cir. 2000),⁵⁹ and that panel reached the exact opposite result. However, the propriety of that panel's holding was not an issue on appeal, and the Louis panel held (correctly) that "The Board's opinion in *Wu v. Wang* noted by Sauer is not binding precedent."⁶⁰

In Louis, the expanded panel dismissed Louis's motions because "an interference between two parties, a first party with an involved patent and also an involved application, and a second party with a single involved patent, would necessarily be two separate interferences administratively merged into one proceeding for convenience or efficiency."⁶¹ It reasoned that

⁵⁸That opinion was subsequently published at 58 USPQ2d 1468 (PTOBPAI 1999).

⁵⁹I represented one of the parties in that interference, so I am testifying from personal knowledge here.

⁶⁰57 USPQ2d at 1433.

⁶¹57 USPQ2d at 1432.

one of those two hypothetical interferences would be a patent-patent interference and that the district courts have exclusive jurisdiction over patent-patent interferences under 35 USC 291.⁶²

Judge Lee also stated two additional grounds for dismissing the motions.

First, he stated that, “even if we have jurisdiction to conduct a patent versus patent interference under the circumstances urged by Sauer, i.e., when an application drawn to the same patentable subject matter is included in the same proceeding, we exercise our discretion under 37 CFR § 1.642 to not add any additional patents to this particular interference.”⁶³ His reasoning was that “The operative word in...[37 CFR 1.642] is ‘may’--a discretionary term,”⁶⁴ and he explained that, even “assuming that the claims of Kanzaki’s Patent Nos. 5,950,500 and 5,473,964... are drawn to the same patentable invention as the count in this interference, we nonetheless exercise our discretion not to add either patent to this on-going interference, to keep this interference simple, as one solely between junior party Sauer’s Patent No. 5,513,717 and senior party Kanzaki’s application 08/818,964.”⁶⁵

Second, he stated that the board would also exercise its discretion not to add Kanzaki’s patents to this interference “for still yet another reason, i.e., Sauer’s Motions 6 and 7 suffer from

⁶²35 USC 291 reads in relevant part as follows:

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.

⁶³57 USPQ2d at 1434.

⁶⁴57 USPQ2d at 1435.

⁶⁵57 USPQ2d at 1435.

a procedural defect.”⁶⁶ That alleged procedural defect was the same as the one discussed in the foregoing writeup of LeVeen v. Edwards (namely, that Sauer had incorporated by reference arguments from the declaration of its expert witness), and the discussion of that issue in this opinion adds nothing to the discussion of that issue in LeVeen.

Comments

(1) In my opinion, the board’s assertion that an interference involving a patent and an application owned by one party and a patent owned by another party “would necessarily be two separate interferences administratively merged into one proceeding for convenience or efficiency”⁶⁷ is sheer ipse dixit. It will be true if the Federal Circuit says it is true, but it is sure as heck not true just because the Trial Section says it’s true! Moreover, it is unclear to me why giving weight to the “convenience [of the parties] or efficiency” is a bad idea.

(2) The board’s discretion under 37 CFR 1.642 does not include discretion to avoid work at the expense of the “customers” of the PTO. The board has to have a good reason for deciding to exercise that discretion. In my judgment, it did not in this case. However, once again, we will have to wait to see what the Federal Circuit says.

F. The Board Has the Authority to Make Sua Sponte Determinations of Obviousness on Grounds Not Asserted by Any Party to an Interference

Thompson v. Thompson et al.

In Thompson v. Thompson et al., 2001 U.S. App. LEXIS 5996 (Fed. Cir. Apr. 5, 2001)

⁶⁶57 USPQ2d at 1437.

⁶⁷57 USPQ2d at 1432.

(non-precedential) (opinion delivered by Circuit Judge Lourie for a panel that also consisted of Chief Circuit Judge Mayer and Circuit Judge Bryson):

Thompson argue[d] that the Board erred by sua sponte rejecting ... [its claims designated as corresponding to the count] as obvious over combinations of references not asserted by Thompson et al., and that Thompson et al. could not have met their burden to show invalidity by a preponderance of the evidence because they did not try to prove invalidity on the grounds ultimately relied upon by the Board.⁶⁸

Not surprisingly the court held that “the Board did not err by making a sua sponte determination of obviousness on grounds not asserted below [sic; by Thompson et al.].”⁶⁹ Surprisingly, however, it did so without reference to 37 CFR 1.641(a), which reads as follows:

(a) During the pendency of an interference, if the administrative patent judge becomes aware of a reason why a claim designated to correspond to a count may not be patentable, the administrative patent judge may enter an order notifying the parties of the reason and set a time within which each party may present its views, including any argument and any supporting evidence, and, in the case of the party whose claim may be unpatentable, any appropriate preliminary motions under §§ 1.633(c), (d) and (h).

⁶⁸2001 U.S. App. LEXIS 5996 at #4.

⁶⁹2001 U.S. App. LEXIS 5996 at #6.

Comments

(1) Technically, of course, the panel of the board did not “reject” Thompson’s claims. It entered a judgment canceling those claims. See 35 USC 135(a) and 37 CFR 1.658(a).

(2) The real problem with the propensity of some APJs to “improve” upon the unpatentability arguments made by some parties is that the panel’s doing so without warning and without following the procedures clearly set forth in 37 CFR 1.641 can be grossly unfair to the parties. In essence, the panel’s doing so can “blind side” either or both parties.

G. According to the SAPJ, an Interference Is Not a Post-Grant Cancellation Proceeding

O’Young v. Powers

O’Young v. Powers, 58 USPQ2d 1242 (PTOBPAI 2000) (non-precedential) (opinion delivered by SAPJ McKelvey),⁷⁰ is another chapter in the continuing battle of the author of this article and many other members of the interference bar against the Trial Section’s “Two-Way Obviousness” test for the existence of interfering subject matter.⁷¹ Not surprisingly, SAPJ McKelvey maintained his position that an interference is only proper if the subject matter defined by each prospective party’s claims would have been obvious in view of the subject

⁷⁰In the interest of complete candor, I note that my colleague Alton D. Rollins and I represented Powers.

⁷¹The opinion is notable for SAPJ McKelvey’s formal apology “On behalf of Director Q. Todd Dickinson, Commissioner of Patents Nicholas Godici and Chief Administrative Patent Judge Bruce H. Stoner, Jr....for the unacceptable [forty-six month] delay...[between Powers’s filing of his 37 CFR 1.607 requests and the PTO’s action on those requests].” 58 USPQ2d 15 1244.

matter defined by the other party's claims and accused the author of attempting to use an interference as a post-grant cancellation proceeding -- a charge to which I readily plead guilty.

Powers was the prospective senior party; its filing date was June 1991. Rahmin and Haelsig were prospective junior parties; the earliest claimed filing dates of both of those prospective parties were in September 1991. Powers copied claims from the Rahmin and Haelsig patents omitting limitations for which it had no support and proposed McKelvey counts consisting of the Boolean union of its generic claims and the prospective junior parties' subgeneric claims.⁷² However, Powers did not explain why the omitted limitations were not significant. The SAPJ asserted that, by doing so, "Powers improperly sought to transfer to the USPTO, and its examiners, the burden of establishing that the noted...limitations...are not significant."⁷³ He accordingly refused to declare either an interference between the Powers application and the Rahmin patent or an interference between the Powers application and the Haelsig patent, asserting that:

Powers seems to treat interference proceedings as a means for filing what in effect is a post-grant petition to cancel the claims of Rahmin §59 and Haelsig §11.

But, an interference is not a post-grant cancellation proceeding such as might be conducted in the case of a registered trademark. Having failed to establish before the examiner that an interference-in-fact exists between any claim of Powers and

⁷²Thus, Powers' claims were clearly to the same patentable invention as Rahmin's claims and Haelsig's claims within the meaning of 37 CFR 1.601(n), and Powers was presumptively the prior inventor of that patentable invention within the meaning of 37 CFR 1.657.

⁷³58 USPQ2d at 1245.

any claims of Rahmin 959 and/or Haelsig 511, the Commissioner, through examiners Woodward, Caputa and Garcia, is not of the opinion that an interference is needed with Rahmin 959 to examine Powers claims 77-103. 35 U.S.C. § 135(a). If Powers prevails in Interference 104,591, Powers claims 58-103 would be allowable notwithstanding the existence of Rahmin 959 and/or Haelsig 511.⁷⁴

Comment

Actually, I was seeking to transfer the burden of establishing that the noted limitations were significant to counsel for Rahmin and Haelsig, each of whom could have filed a 37 CFR 1.633(b) motion for a judgment that there was no interference in fact if the PTO had set up interferences on the McKelvey counts that I proposed. However, while it would have been nice to take down Rahmin's and Haelsig's subordinate claims, obtaining claims dominating Rahmin's and Haelsig's claims was good enough for my client, so the propriety of the SAPJ's refusal to declare interferences between the Powers application and the Rahmin patent and between the Powers application and the Haelsig patent was not pursued.

H. The SAPJ Is Reluctant to Declare a Single Multi-Party Interference on Closely Related Subject Matter, Preferring to Declare Multiple Interferences and Grant the Parties to the Various Interferences Access to the Other Interferences

O'Young v. Powers

In Gholz, Multi-Patent Interference, 5 Intellectual Property Today No. 12 at page 6

⁷⁴58 USPQ2d at 1245.

(1998), I discussed an innovative (and, I thought, very successful) procedure adopted by APJ Lee: the declaration of a single interference involving many patents on closely related subject matter. However, in O'Young v. Powers, 58 USPQ2d 1242 (PTOBPAI 2000) (non-precedential) (opinion delivered by SAPJ McKelvey),⁷⁵ SAPJ McKelvey declined to follow APJ Lee's lead.

Powers had asked for seven interferences between its application and various patents owned by Mobil Oil Corporation and Texaco Inc. on closely related subject matter. Ultimately, SAPJ McKelvey declared three of those seven interferences. However, instead of combining them into one interference, as Judge Lee had done in the interference discussed in my previous article, SAPJ McKelvey declared them as three separate interferences and sua sponte granted cross-access to the three cases:

Mobil Oil Corporation and Texaco, Inc., will both have access to the Powers application upon declaration of Interferences 104,591 through 104,593. Moreover, it is apparent that the subject matter of each interference is related, at least to the extent that each involves a process for converting olefins to isoolefins using zeolite type catalysts. Under the circumstances, it is appropriate to grant Mobil Oil Corporation access to the file of Interference 104,592 and 104,593 and to grant Texaco, Inc. access to the file of Interference 104,591. Moreover,

⁷⁵In the interest of complete candor, I note that my colleague Alton D. Rollins and I represented Powers.

Powers, Mobil Oil Corporation and Texaco should be served with any paper filed in any of the three interferences.⁷⁶

Comment

I sincerely hope that Judge McKelvey's technique has some advantage for the board, because it is a pain in the neck for the parties.⁷⁷ I would hate to think that Judge McKelvey's technique was not advantageous to somebody!

I. Because the Trial Section Permits a Party to Retain a Court Reporter to Record and Transcribe Oral Argument, if a Party Does Not Do So But Attempts to Answer a Question Asked by a Member of the Panel During the Hearing in a Post-Hearing Paper, the Panel Will Not Attempt to Determine the Precise Question Which Was Asked from the Bench

Shiokawa v. Maienfisch

In Shiokawa v. Maienfisch, 58 USPQ2d 1479 (PTOBPAI 2001) (non-precedential) (opinion delivered by SAPJ McKelvey for a panel that also consisted APJs Torczon and Tierney),⁷⁸ counsel for Shiokawa asked for and obtained leave during a post-hearing telephone conference to file a post-hearing paper (termed a 37 CFR 1.635 motion) responding to certain questions that APJ Tierney had asked during oral argument. According to the panel's opinion:

Some of Judge Tierney's questions related to specific organic chemistry involved in the case. Counsel for Shiokawa could not answer the questions. No request

⁷⁶58 USPQ2d at 1246.

⁷⁷It did ultimately give the board three disposals, whereas Judge Lee's technique gave the board only a single disposal.

⁷⁸In the interest of complete candor, I note that my colleagues Alton D. Rollins, Alexander E. Gasser, and Robert W. Hahl, and I represented Shiokawa.

was made at that time for leave for [sic; to] file a memorandum. The motions panel did not ask *sua sponte* for additional briefing from the parties.⁷⁹

As the panel further noted:

In its miscellaneous motion, Shiokawa sets out what it believes were the questions asked by Judge Tierney. The miscellaneous motion was referred by the panel to Judge Tierney, who reports back to the panel that at least one of the questions set out in the miscellaneous motion was not the questions [sic] he remembers asking.⁸⁰

The panel denied Shiokawa's motion and refused to consider Shiokawa's answers to what it believed⁸¹ Judge Tierney had asked because:

It is standard practice of the Trial Section to permit a party, or both parties if they be so advised, to retain a court reporter to record and transcribe any oral argument before a Trial Section panel. Neither party retained a court reporter. Because a court reporter could have been, but was not, retained, the panel will not attempt to determine the precise questions which were asked from the bench.⁸²

Comments

⁷⁹58 USPQ2d at 1480.

⁸⁰58 USPQ2d at 1480.

⁸¹Shiokawa had eight counsel present in the hearing room (five U.S. and three English speaking Germans), and the questions stated in Shiokawa's motion were based on their combined notes and memories.

⁸²58 USPQ2d at 1480.

The panel's opinion leaves out what I believe is a critical fact: Judge Tierney's questions "related to specific organic chemistry" which neither party had briefed or argued. That is, they did not relate to any issue presented to the panel at oral argument. Accordingly, those questions came out of deep left field.

Be that as it may, there are two learning points here. First, notwithstanding the extra expense of obtaining a transcript of an oral argument, it is probably a good idea to do so in any case that will justify the expense. Second, if an APJ asks any question, no matter how off the wall, that you can't answer at oral argument, it is a good idea to ask right then for leave to file a post-hearing submission answering the question -- of course graciously volunteering that you would have no objection to your opponent's filing a response to your submission.

J. A Petition to Permit Late Filing of a 35 USC 135(c) Agreement Can Be Filed After the Six-Month Period Set by 37 CFR 1.666(c) if a Copy of the 35 USC 135(c) Agreement Itself Was Filed During the Six-Month Period

LaCroix v. Bellini

35 USC 135(c) requires that a true copy of any agreement or understanding between parties to an interference made in connection with or in contemplation of the termination of the interference be "filed in the Patent and Trademark Office before the termination of the interference as between the said parties to the agreement or understanding." However, 35 USC 135(c) also says that "The Director may, however, on a showing of good cause for failure to file within the time prescribed, permit the filing of the agreement or understanding during the six-month period subsequent to the termination of the interference as between the parties to the

agreement or understanding.” The consequence of failing to file a copy of such an agreement or understanding by the end of that period are catastrophic.⁸³

In LaCroix v. Bellini, 58 USPQ2d 1528 (CAPJ 2001),⁸⁴ the interferent responsible for filing a copy of the 35 USC 135(c) agreement (1) filed the copy during the six-month period subsequent to the termination of the interference, but (2) failed to accompany the copy of the agreement with either (a) the mandatory 37 CFR 1.666(c) petition to permit late filing of the copy or (b) the petition fee. Accordingly, the copy was initially returned to that party by the APJ responsible for the interference. That party then filed (a) a 37 CFR 1.183 petition to waive the requirement of 37 CFR 1.666(c) that the 37 CFR 1.666(c) petition accompany the belatedly filed copy of the 35 USC 135(c) agreement, (b) the 37 CFR 1.83 petition fee, (c) the 37 CFR 1.666(c) petition, and (d) the 37 CFR 1.666(c) petition fee.

Gratifyingly, the CAPJ granted both petitions. Most importantly, he held that “The statute [i.e., 35 USC 135(c)] does not require that the showing of good cause be filed during the six-month period subsequent to the termination of the interference as between the parties to the agreement or understanding’.”⁸⁵ As for the 37 CFR 1.666(c) “good cause” requirement, he held that satisfied by the facts that the attorney responsible for filing the copy was unaware that the interference had terminated and that his failure to be aware that it had terminated was “a result of

⁸³See Gholz, The Law and Practice Under 35 USC 135(c), 80 JPTOS 561, 675 (1998), Sections III S., T., and, particularly, U., “If a Party to an Interference Fails to Comply with 35 USC 135(c), Can That Failure Be Remedied in Any Way?,” 80 JPTOS at 691.

⁸⁴In the interest of complete candor, I note that I represented the petitioner on the petition. Please note, however, that I did not represent the petitioner at the time of the events that gave rise to the petition.

⁸⁵58 USPQ2d at 1531.

human error, despite the existence of procedures to ensure that the judgment was seen by counsel....”⁸⁶ Finally, he held that he should exercise his discretion under 37 CFR 1.183 to waive the requirement of 37 CFR 1.666(c) that the petition and petition fee be filed with the copy of the agreement because:

In this situation, I perceive no reason to believe that either Kelber or Gholz or anyone else associated with the prosecution of the interference willfully overlooked the existence of the judgment entered July 30, 1998. Neither is it apparent how overlooking the judgment’s existence would have been of benefit to anyone connected with the interference. Certainly, as soon as the parties became aware of the problem upon receipt of Judge Caroff’s order, they moved with celerity to correct the situation (Findings 27-29 and 35-52) and to prevent recurrence of the situation (Finding 53). Because of the harsh results that would otherwise obtain, I consider this an extraordinary situation in which justice requires that I waive the requirement of 37 CFR § 1.666(c) that the petition and the petition fee be filed during the six month period following termination of the interference.⁸⁷

Comment

In glorious hindsight, this problem might have been avoided had the parties acted more expeditiously to reduce their understanding to writing and get a copy of the written agreement on file. Had that occurred, the copy would have been filed prior to termination of the interference, and the fact that the attorney handling the interference was unaware that the interference had terminated would have been moot.

⁸⁶58 USPQ2d at 1531.

⁸⁷58 USPQ2d at 1532.

K. **The Trial Section Is Not Absolutely Bound by the Rules**

Edwards v. Strazzabosco

The procedures of the Trial Section are governed by its standing order,⁸⁸ and some of those procedures appear to be at variance with if not flatly contrary to the rules published in 37 CFR, Chapter 1, Part 1, Subpart E.--Interferences. In Edwards v. Strazzabosco, 58 USPQ2d 1836 (PTOBPAI 2001) (non-precedential) (opinion delivered by APJ Medley for a panel that also consisted of SAPJ McKelvey and APJ Lee), a panel of the Trial Section provided the clearest explanation yet of what it believes to be its authority to deviate from the rules published in the Code of Federal Regulations.

37 CFR 1.617(a) reads as follows:

An administrative patent judge shall review any evidence filed by an applicant under § 1.608(b) to determine if the applicant is prima facie entitled to a judgment relative to the patentee. If the administrative patent judge determines that the evidence shows the applicant is prima facie entitled to a judgment relative to the patentee, the interference shall proceed in the normal manner under the regulations of this part. If in the opinion of the administrative patent judge the evidence fails to show that the applicant is prima facie entitled to a judgment relative to the patentee, the administrative patent judge shall, concurrently with the notice declaring the interference, enter an order stating the reasons for the opinion and directing the applicant, within a time set in the order, to show cause

⁸⁸Its standing order can be found at <http://www.uspto.gov/web/offices/dcom/bpai/its.htm>.

why summary judgment should not be entered against the applicant. [Emphasis supplied.]

The problem in this case was that the APJ's initial 37 CFR 1.617(a) order to show cause was defective. Accordingly, after the applicant persuaded the panel of that fact, the APJ entered a new order to show cause--but the new order to show cause was, of course, not issued, "concurrently with the notice declaring the interference....." Accordingly, Edwards complained--saying in effect "You can't do this to me!" "Oh yes we can, said the Trial Section":

Interferences are fact specific. No two interferences are alike. It would be impractical, if not impossible, to have a rule that states precisely what the Board should do under every possible scenario. Further, the rules do not preclude reconsideration, *sua sponte*, of any order entered in the interference. A tribunal has inherent authority, unless precluded by its rules, to reconsider orders entered while the case is before the tribunal. See *Charlton v. Rosenstein*, Interference No. 104,148 at(<http://www.uspto.gov/web/offices/dcom/bpai/its/104148.pdf>).

An administrative patent judge (APJ) may determine the proper course of conduct in an interference for any situation not specifically covered by the rules. 37 CFR § 1.610(e). Furthermore, an APJ may determine that a decision be entered by a panel. 37 CFR § 1.610(b). It was the determination of this panel that the proper course of conduct in this interference was to clearly state on the record the reasons why junior party Edwards' Rule 608(b) showing failed to demonstrate that Edwards is *prima facie* entitled to judgment relative to Strazzabosco. Accordingly, a second order to show cause was issued. The

Second Order to Show Cause replaced the original Order to Show Cause. All papers in connection with the original Order to Show Cause were returned. We started over.⁸⁹

Comment

The situation before the panel was not one “not specifically covered by the rules.” It was a situation specifically covered by the rules where the rule in question gave an unjust result. Traditionally, the remedy for that situation when a rule adversely impacts an interferent has been to file a 37 CFR 1.644(a)(3) petition to the Director seeking relief under 37 CFR 1.183--i.e., suspension of the applicable rule “[i]n an extraordinary situation, when justice requires...” The remedy for that situation when a rule prevents an APJ from doing what he or she wants to do has been for the APJ to ask the Director to waive the rule. However, whether initiated by an interferent or by an APJ, asking the Director to waive a rule slows things down and, perhaps more importantly, takes resolution of the question out of the jurisdiction of the Trial Section. The Trial Section’s solution keeps things moving along in the interference and minimizes the possibility that someone from the Director’s office will get involved and create law that the Trial Section would prefer not to see created.

L. **The Rule that One Must Make Out a Prima Facie Case in Support of a Motion in the Motion Itself Is Not Inflexible**

Glaxo Wellcome Inc. v. Cabilly

⁸⁹58 USPQ2d at 1839.

In Glaxo Wellcome Inc. v. Cabilly, 58 USPQ2d 1859 (PTOBPAI 2001) (non-precedential) (per curiam; panel consisting of SAPJ McKelvey and APJs Schafer and Gardner-Lane), a panel of the Trial Section ruled that:

The policy that a preliminary motion must make out a *prima facie* case does not mean that a party can never be authorized to supplement the preliminary motion with additional relevant evidence which becomes available after the preliminary motion is filed. 37 CFR § 1.645(b).⁹⁰

Cabilly had filed a 37 CFR 1.633(a) motion for a judgment that Glaxo's claims designated as corresponding to the count were unpatentable, and Glaxo had opposed that motion, apparently arguing that Cabilly had failed to make out a *prima facie* case. Cabilly then filed supplemental evidence with its reply, asserting that that evidence had just become available to it. Glaxo then obtained a conference call with the APJ during which it argued that the additional evidence should be struck pursuant to the familiar rule that a motion must make out a *prima facie* case for the relief sought. See, e.g., Hillman v. Shyamala, 55 USPQ2d 1220 (PTOBPAI 2000). However, the APJ accepted Cabilly's explanation⁹¹ and, instead of striking Cabilly's reply, authorized Glaxo to file a supplemental opposition and Cabilly to file a supplemental reply.

Glaxo then filed a 37 CFR 1.644(a)(1) petition asking the Director to review the APJ's decision. However, the petition was referred to a panel of the Trial Section, which ruled that

⁹⁰58 USPQ2d at 1861.

⁹¹Regrettably, the opinion does not indicate what that explanation was.

“there is no controlling question of procedure involved in this matter”⁹² and accordingly denied the petition as such--but nevertheless considered it as a 37 CFR 1.640(c) request for reconsideration of the APJ’s decision. Doing so, the panel noted that “Cabilly should have sought leave to file the additional evidence along with a supplemental preliminary motion--as opposed to just filing the additional evidence with its reply.”⁹³ Nevertheless, the panel approved the APJ’s ad hoc solution to the problem, saying that:

the issue to be resolved here is whether it is “just” to consider evidence felt to be relevant by the moving party which was not available until after its preliminary motion and its opponent’s opposition have been filed.

Here, the “just” thing to do is, and we exercise our discretion, to consider Cabilly’s original preliminary motion and original reply, including the additional evidence, and to permit Glaxo to address the evidence served with the original preliminary motion and Cabilly’s original reply. Accordingly, under the facts of this case, it does not matter whether Cabilly’s original preliminary motion makes out a *prima facie* case for relief. The important fact will be whether the original preliminary motion and original reply collectively make out a *prima facie* case. Glaxo is free under the order entered 6 April 2001 to argue that they do not. Moreover, as requested by Glaxo during the conference call, it is authorized in its

⁹²58 USPQ2d at 1861.

⁹³58 USPQ2d at 1861; emphasis supplied.

supplemental opposition to address all evidence served, and rationale relied upon, by Cabilly in support of its original preliminary motion and original reply.⁹⁴

Comment

Cabilly's excuse must have been a humdinger! I predict that such relief will seldom be granted. However, it is good to know that there is a possibility of obtaining such relief--even if the probability of doing so is low.

M. The Trial Section Changes the Standards for Substituting a Broader Count

Louis v. Okada

In Louis v. Okada, 59 USPQ2d 1073 (PTOBPAI 2001) (expanded panel) (opinion delivered by APJ for Lee for a panel that also consisted of SAPJ McKelvey and APJs Schafer, Torczon, Spiegel, Gardner-Lane, Medley, and Tierney),⁹⁵ the en banc Trial Section changed (for the better) the standards for substituting a broader count.⁹⁶

⁹⁴58 USPQ2d at 1861.

⁹⁵In the interest of complete candor, I note that my colleague W. Todd Baker and I represented Louis.

⁹⁶The opinion says that "We further take this opportunity to discuss and confirm two principles with regard to a preliminary motion to broaden the count [sic; substitute a broader count for the original narrower count]." 59 USPQ2d at 1075. However, in response to our request for reconsideration, which pointed out that neither of those principles could be found in prior published opinions (and, in fact, were contrary to pre-Trial Section published opinions), the panel conceded (in an opinion that the PTO did not send in for publication) that:

With regard to the second point raised by Sauer [i.e., Louis], we fully understand and appreciate Sauer's concern. Our decision should not be read, construed, or otherwise interpreted as pointing out that Sauer's counsel should have known about the two principles....

The problem that faced Louis when it filed its 37 CFR 1.633(c)(1) motion to substitute a broader count was a common one: when it reviewed its priority and derivation evidence, it discovered that its earliest evidence did not clearly respond to one limitation in the count.⁹⁷ Accordingly, it sought to substitute a broader count that did not include that limitation. In its 37 CFR 1.633(c)(1) motion, it made the then conventional unsupported assertions (1) that “the quoted limitation is clearly unnecessary in order to define the broadest common patentable subject matter between the involved Louis patent and the involved Okada application”⁹⁸ and (2) that its “best” (i.e., earliest) proofs were “arguably” outside the scope of the original count. With respect to the latter assertion, it relied on the conventional wisdom as explained, e.g., in Kelber and Boler, “Preliminary Motions,” Chapter 4 in Patent Interference Practice Under NAFTA, GATT & the 1995 Rules (Patent Resources Group 1996):

Unlike other motions under Rule 633, (c) (1) motions to broaden the count so as to embrace a party’s best (earliest or most complete) priority proof need not necessarily be supported by evidence other than an assertion that proof of priority requires the expansion.²¹ [Emphasis in the original.]

²¹Grose v. Plank, 15 USPQ2d 1338 (Bd. Pat. App. & Int. 1990); Theeuwes v. Bogentoft, 2 USPQ2d 1057 [sic; 1378] (Comm’r 1987).

However, Louis v. Okada changes all that. According to it:

⁹⁷Louis did not concede that its evidence did not show that feature, because arguably it did show that feature. However, Louis recognized that that was an argument on which it could lose.

⁹⁸59 USPQ2d at 1074.

As the moving party proposing the broader substitute count, Sauer has the burden of accounting for and explaining away any potential question of patentability over prior art, if any such question is self-apparent or manifestly evident from the prosecution history of its involved patent or application. An interference cannot proceed with a count over which a lingering question or doubt as to patentability arises from the face of the moving party's prosecution history.⁹⁹

and

without a compelling reason we will not adopt a count that is broader than the sum of what each party has claimed.¹⁰⁰

We do not totally foreclose the possibility that in a very rare and special situation a count might be adopted which is broader in scope than the sum of what each party has claimed. But there must be a compelling reason for doing so, beyond that the moving party's best or earliest proofs are outside the scope of the existing count.¹⁰¹

While Sauer's preliminary motion 2 does state that the fastening means is arguably not shown in the earliest proofs, the equivocal nature of the term

⁹⁹59 USPQ2d at 1074-75.

¹⁰⁰59 USPQ2d at 1075-76.

¹⁰¹59 USPQ2d at 1076.

“arguably” and the conclusory nature of the statement, without analysis, lead us to conclude that Sauer’s preliminary motion failed to demonstrate a genuine need for the count to be changed or that its preliminary motion gave Kanzaki a fair opportunity to address the need for a change. At a minimum, we confirm that a preliminary motion to broaden out the count on the basis that a party’s best or earliest proofs are outside of the current count (1) should make a proffer of the party’s best proofs, (2) show that such best proofs indeed lie outside of the scope of the current count, and (3) further show that the proposed new count is not excessively broad with respect to what the party needs for its best proofs.¹⁰²

Comment

Even though we lost the motion (and, of course, were not given the opportunity to refile it under the new standards), I think that the new standards are a vast improvement over the previously prevailing standards.

N. A 37 CFR 1.633(b) Motion Can Be Filed Addressed to a Single Claim Out of a Plurality of Claims Designated as Corresponding to a Count

Singer v. Reh fuss

If a plurality of claims in one’s opponent’s case are designated as corresponding to the same count, one has traditionally been able to file either (a) a 37 CFR 1.633(b) motion for a judgment that there is no interference in fact between any of one’s claims designated as corresponding to the count and any of one’s opponent’s claims designated as corresponding to

¹⁰²59 USPQ2d at1076.

the count or (b) a 37 CFR 1.633(c)(4) motion for a judgment designating individual claims (in either one's own case or in one's opponent's case) as not corresponding to the count. If a plurality of 37 CFR 1.633(c)(4) motions were granted such that all of the claims in one party's case were designated as not corresponding to the count, the panel could enter a judgment that there was no interference in fact.

This fairly straight forward procedure has now been considerably complicated. According to Singer v. Rehfluss, 59 USPQ2d 1190 (PTOBPAI 2001) (non-precedential) (opinion by SAPJ McKelvey for a panel that also consisted of APJs Sofocleous¹⁰³ and Metz), "a party may file a preliminary motion (as to all claims or just one claim) that there is no interference-in-fact." 37 CFR § 1.633(b)."¹⁰⁴ Judge McKelvey then went on to explain:

The term of art "interference-in-fact" is often misunderstood. There is no interference-in-fact when a claim of a party is not directed to the same patentable invention as a claim of an opponent. 37 CFR § 1.601(j). When a party and its opponent claim the same patentable invention in exactly the same words, there is manifestly an interference-in-fact.⁸ When the language of a party's claim differs from the language of an opponent's claim and both claims are designated as corresponding to a count, there is a possibility of [a] preliminary motion for judgment based on no interference-in-fact. If the preliminary motion is granted, *both* the party and its opponent obtain patents to their respective claims, because the

¹⁰³According to the USPQ, this case was "Decided January 21, 2001." However, APJ Sofocleous retired from the PTO several years ago and has been in private practice ever since. Accordingly, I emailed William McKey, editor of the USPQ, and brought the problem to his attention. According to him, "the correct date of issuance is 1/21/98."

¹⁰⁴59 USPQ2d at 1203; emphasis supplied.

claims define a separate patentable invention. If the preliminary motion is denied, the interference proceeds to a final decision based on the merits of priority and patentability.¹⁰⁵

⁸We acknowledge that when identically worded claims use means-plus-function language, a possibility exists that the claims are not directed to the same patentable invention.

Comments

(1) What is the difference (substantively or procedurally) between a 37 CFR 1.633(c)(4) motion addressed to “just one claim” and 37 CFR 1.633(b) motion addressed to “just one claim”? No substantive difference occurs to me, but I suppose that, from now on, I’ll have to file both a 37 CFR 1.633(c)(4) motion and a 37 CFR 1.633(b) motion in every case where, formerly, I would have filed just a 37 CFR 1.633(c)(4) motion. It will be curious indeed if one such motion is granted and the other such motion is denied.

(2) Actually, a possibility exists that identically worded claims are not directed to the same patentable invention even if the two claims do not use means-plus-function language. See Blackmore v. Hall, 1905 C.D. 561, 563 (Comm’r 1905), and Parker v. Friette, 462 F.2d 544, 553, 174 USPQ 321, 328 (CCPA 1972) (Rich, Acting Chief Judge dissenting with whom Rosenstein, Judge joined) (“It has long been recognized that[,] under certain circumstances[,] the same claim may be interpreted differently in different specifications.”)

O. A Petition to Disqualify Opposing Counsel Was Decided by a Panel of the Trial Section

¹⁰⁵59 USPQ2d at 1203-04; emphasis in the original.

Anderson v. Eppstein

According to 37 CFR 1.613(c):

An administrative patent judge may make necessary inquiry to determine whether an attorney or agent should be disqualified from representing a party in an interference. If an administrative patent judge is of the opinion that an attorney or agent should be disqualified, the administrative patent judge shall refer the matter to the Commissioner [sic; Director]. The Commissioner will make a final decision as to whether any attorney or agent should be disqualified.

In my experience, a single APJ has made only a cursory inquiry of a motion or petition to disqualify opposing counsel (perhaps roughly akin to finding that reasonable grounds for suspecting that disqualification may be required) before “refer[ring] the matter to the Commissioner [sic; Director]” for a hearing before the Office of Enrollment and Discipline. However, in Anderson v. Eppstein, 59 USPQ2d 1280 (PTOBPAI 2001) (non-precedential) (opinion delivered by APJ Medley for a panel that also consisted of SAPJ McKelvey and APJ Gardner-Lane), a panel of the Trial Section held that:

Disqualification petitions in PTO proceedings are authorized by 35 U.S.C. § 32 and 37 CFR § 10.130(b). Rule 10.130(b) provides that “petitions to disqualify a practitioner ... will be handled on a case-by-case basis under such conditions as the Commissioner deems appropriate.” While the PTO has no specific rules which govern disqualification petitions, generally the provisions of

the PTO Code of Professional Responsibility, aided by decisions of federal courts, govern resolution of a disqualification [motion or petition].¹⁰⁶

The panel then reviewed the evidence at great length, noting that both parties had the right to cross-examine each other's witnesses but had waived that right, then dismissed Anderson's petition without "refer[ing] the matter to the...[Director]" and admonished Anderson's counsel for having made "unfounded allegations"¹⁰⁷ in their petition.

Comment

It seems to me that 37 CFR 1.613(c) is clearly a "specific rule[]" which govern[s] disqualification petitions" filed during interferences! However, the old system did not work very well, and what is apparently going to be the new system is a significant improvement. I just wish that the PTO's published rules reflected its actual practice!

P. An Interference Can Be Declared Based on a Count that Is Ultimately Held to be Unpatentable

In re Roemer

In assessing the court's opinion in In re Roemer, 258 F.3d 1303, 59 USPQ2d 1527 (Fed. Cir. 2001) (opinion delivered by Circuit Judge Rader for a panel that also consisted of Circuit Judges Michel and Lourie), it is important to know (1) that this case started life as a two-way interference named Punchard v. Roemer and was later redeclared as a three-way interference

¹⁰⁶59 USPQ2d at 1285.

¹⁰⁷59 USPQ2d at 1290.

named Punchard v. Roemer v. Mansfield¹⁰⁸ and (2) that the interference was declared so long ago¹⁰⁹ that many of the operative events occurred during the period of time during which, as a labor-saving device, the board (instead of deciding the patentability of claims corresponding to a count on a claim-by-claim basis, as it does now) decided whether or not the count (considered as if it were a claim) was patentable over the prior art.¹¹⁰ (Of course, the claims designated as corresponding to a count normally have different effective filing dates, and the board never did quite get around to deciding what the “effective filing date” of a count was!) During that period, if a panel of the board found that the count was unpatentable over the prior art, it automatically held that all claims designated as corresponding to the count were, ipso facto, likewise unpatentable over the prior art.

In the three-way interference, Punchard filed 37 CFR 1.633(a) motions for judgments that all of Roemer’s and all of Mansfield’s claims designated as corresponding to the count were unpatentable over a Smith patent. Roemer opposed, but it also filed its own 37 CFR 1.633(c)(4) motion for a judgment that its claims 1-5, 7-15, 33, and 34 did not correspond to the count. (The effect of the grant of that motion would be to get those claims “out of harm’s way,” since the board only has jurisdiction over claims designated as corresponding to a count.) The panel (1) granted Punchard’s motions, (2) denied Roemer’s motion, and (3) held that Punchard’s claims

¹⁰⁸In the interest of complete candor, I note that my colleague Rick Neifeld and I represented Punchard.

¹⁰⁹Specifically, Punchard v. Roemer was declared on April 23, 1992, and Punchard v. Roemer v. Mansfield was declared on April 26, 1994.

¹¹⁰The beginning of the end of that unlamented period was signaled by In re Van Geuns, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 76 JPTOS 649 (1994) at pages 654-57.

designated as corresponding to the count were also unpatentable over the Smith patent. Roemer thereupon appealed--but only the panel's holding that its claims 1-5, 7-15, 33, and 34 corresponded to the count. Neither Mansfield nor Punchard appealed the panel's judgment that their claims designated as corresponding to the count were unpatentable, and Punchard did not defend the panel's holding that Roemer's claims 1-5, 7-15, 33, and 34 did correspond to the count.¹¹¹ Since neither Punchard nor Mansfield appeared to defend the board's judgment, the court recharacterized the appeal as an ex parte appeal¹¹² and ordered the Solicitor to file a brief defending the panel's holding.

The Court found the procedures below very puzzling. For one thing, the Court indicated that:

because it is not dispositive to the issues at hand or to this court's review of the Board's judgment, this court will not address the propriety of the USPTO's declaration of an interference^[113] based on an unpatentable count.¹¹⁴

¹¹¹Those claims were clearly drawn to significantly different subject matter, whether or not they were drawn to patentably different subject matter, and, once Roemer had made it clear that it did not intend to argue that the panel had erred in holding Roemer's other claims unpatentable, Punchard's assignee did not care enough about those claims to spend money on the appeal.

¹¹²See In re Van Geuns, 946 F.2d 845, 20 USPQ2d 1291 (Fed. Cir. 1991), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 75 JPTOS 448 (1993) at pages 457-63.

¹¹³Sic. Actually, it was the redeclaration of the interference to add Mansfield that apparently concerned the court.

¹¹⁴258 F.3d at 1311, 59 USPQ2d at 1533. Note that the unpatentability was of the over-the-prior-art variety. That is, the panel had treated the count as if it were a claim, held the count unpatentable over the Smith patent, and then held that all of all three parties' claims designated as corresponding to that count were accordingly also unpatentable over the Smith patent.

For another, the court expressed surprise that “Only Dr. Roemer...appealed...[the panel’s] determination [that the claims that Roemer sought to undesignate corresponded to the unpatentable count].”¹¹⁵ Finally, the court characterized Roemer’s concession that “whichever claims...[were] properly...designated as corresponding to the count are unpatentable over Smith” as “a departure from normal interference procedure....”¹¹⁶

Comments

First, although there is a presumption when an interference is declared that the or each count reads only on subject matter patentable to the parties but for the existence of the interference,¹¹⁷ that presumption is frequently rebutted. That is, after the 37 CFR 1.633(a) motions are decided, it can become apparent either (1) that the scope of the interfering, potentially patentable subject matter is narrower than initially believed or (2) that there is no interfering, potentially patentable subject matter. In the former event, the interference is

¹¹⁵258 F.3d at 1307, 59 USPQ2d at 1529.

¹¹⁶258 F.3d at 1306-07, 59 USPQ2d at 1529.

¹¹⁷Orikasa v. Oonishi, 10 USPQ2d 1996, 2004 (Comm’r 1989); and Davis v. Uke, 27 USPQ2d 1180, 1186-87 (Comm’r 1993). The unpatentability of a count over the prior art was a reason for dissolving an interference under the “old rules” (“Patent Office Rule” 122 and 37 CFR 1.231(a)(1), and unpatentability of a proposed count over prior art was a ground for denying motions seeking a new count. Cf. Wetmore v. Quick, 536 F.2d 937, 940, 190 USPQ 223, 226 (CCPA 1976) (“[T]he Primary Examiner denied the motion to amend as to all of the proposed counts on the ground that they are not patentable under 35 U.S.C. 103.”). See also Hilborn v. Dann, 546 F.2d 401, 403, 192 USPQ 132, 134 (CCPA 1976) (Rich, J.), where the court stated that:

The patentability of the count to petitioner is determinative of whether petitioner’s application would “interfere” with the Cuthbert patent. As is clear from 35 USC 135, that question is fundamental to the existence of any question of priority in the Patent and Trademark Office.

redeclared with a narrower count. In the latter event, there is ordinarily no reason to redeclare the interference--but that doesn't mean that there was anything improper about the original declaration of the interference. Moreover, in this case, there was a reason to redeclare the interference, but the purpose of the redeclaration was just to add Mansfield to the interference so that a judgment could be entered against it. There was no need for a "patentable count" in the usual sense, and the fact that the redeclaration of the interference set forth a count (specifically, the original count, which the panel had held to be unpatentable) had no substantive significance.

Second, neither Punchard nor Mansfield was in a position to appeal from the panel's holding that Roemer's claims 1-5, 7-15, 33, and 34 were correctly designated as corresponding to the count--since both of them had opposed Roemer's motion to have them undesignated! Perhaps what the court really meant was that it found it surprising that neither Punchard nor Mansfield opposed Roemer's efforts to have that holding undone on appeal. However, that too is hardly surprising. It is one thing to oppose a motion before the board; it is quite another (and much more expensive) thing to file an appellee's brief before the court. Here, certainly Punchard's assignee (and probably Mansfield's assignee as well) simply didn't care enough about the claims that Roemer was attempting to salvage to spend any more money attempting to keep Roemer from salvaging them.

Finally, Roemer's concurrence that the count and the claims properly designated as corresponding to the count were unpatentable over the Smith patent was neither improper nor "a departure from interference procedure...." Sometimes interference practitioners must face reality. Roemer's broad claims were unpatentable over the Smith patent!

Q. **Should the Board Decide All of the Issues Raised by the Parties in Each Interference?**

Gluckman v. Lewis

Judging by the board's published opinions, there are those APJs (chiefly the pre-Trial Section APJs) who think that it is the board's first duty to serve the customers of the PTO by deciding all of the issues raised by the parties to interferences -- "just[ly], speed[il]y, and inexpensive[ly]," to quote the preamble of 37 CFR 1.601.¹¹⁸ On the other hand, there appear to be APJs (chiefly the Trial Section APJs) who think that it is the board's first duty to conserve the resources of the board by deciding as few issues as possible. Gluckman v. Lewis, 59 USPQ2d 1542 (PTOBPAI 2001) (non-precedential) (opinion by APJ Torczon) is typical of the latter point of view.¹¹⁹

Gluckman was junior party by more than two years, and it initially indicated that it was not going to file any preliminary motions. Accordingly, APJ Torczon ordered the parties to file their preliminary statements two weeks before Lewis's preliminary motions were due. Judge Torczon's opinion explains that:

If Gluckman had not pled a case for prevailing on priority [i.e., if Gluckman's preliminary statement did not allege a date before Lewis's effective filing date],

¹¹⁸Gustavsson v. Valentini, 25 USPQ2d 1401 (PTOBPAI 1991), is perhaps the leading precedent for this point of view.

¹¹⁹I have written on this issue before. See 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).

the remaining schedule would have been suspended[,] and Gluckman would have been placed under an order to show cause why the interference should continue.¹²⁰

However, at that point Gluckman woke up to its dire peril and belatedly informed Judge Torczon “that it intend[ed] to file a preliminary motion alleging no interference-in-fact, as well as a motion for benefit and a motion alleging unpatentability of Lewis claims based on prior art.”¹²¹

Judge Torczon thereupon reset the schedule, basically so that he could decide Gluckman’s no-interference-in-fact motion before deciding any other motions:

An administrative patent judge is charged with administering the rules “to secure the just, speedy, and inexpensive determination of every interference.” 37 C.F.R. § 1.601. Among other things, this means that[,] where a junior party does not plead a case for prevailing on priority in its preliminary statement, the interference may be terminated with a judgment against the junior party without reaching other issues. 37 C.F.R. § 1.640(d)(3). A similar situation arises when there is no interference-in-fact. The existence of an interference-in-fact is a predicate for conducting an interference. 35 U.S.C. 135(a). Where the lack of an interference is apparent early in the proceedings, prudence will ordinarily counsel a schedule that focuses on the allegation of no interference-in-fact before the other issues for at least two reasons. First, just administration counsels that such quasi-jurisdictional issues be resolved before a party’s claims are placed in

¹²⁰59 USPQ2d at 1543.

¹²¹59 USPQ2d at 1543.

jeopardy. Otherwise, there might be an incentive for a party to engineer a thin pretext for an interference, knowing that the pretext will fail under scrutiny, simply to obtain an inter partes opposition or a more liberal inter partes reexamination, or for other reasons unrelated to the Board's mission under § 135(a). Such pretexts should be avoided as contrary to Congressional intent, *see, e.g.*, 35 U.S.C. 311-318 and the Domestic Publication of Foreign Filed Patent Applications Act of 1999, Pub. L. No. 106-113, App. I, sec. 4502(c), 113 Stat. 1501-A561, 1501A-562 (2000). Second, inexpensive administration counsels early resolution of quasi-jurisdictional issues before the parties have expended resources briefing issues that should never have been raised given the lack of an underlying interference.³ Where it is possible to identify and address such issues early in the proceeding, it should ordinarily be done. *Cf.* 37 C.F.R. § 1.617 (providing a summary proceeding for entering judgment against an applicant who fails to provide a prima facie basis for judgment).

The present interference presents two such potentially dispositive issues. First, if there is no interference-in-fact, then neither party should ordinarily have its claims placed in jeopardy or be faced with the expense of litigating other issues. Second, if there is an interference-in-fact, but Gluckman cannot plead an early enough date for conception, then Lewis should not have its claims placed in jeopardy[,] and the parties should not be faced with the expense of litigating other issues.⁴

³This order is not the place to resolve whether such briefing creates a “sweat equity” in having those issues resolved despite the lack of an underlying interference.

⁴Nor should the United States Patent and Trademark Office blindly administer its proceedings such that it always resolves issues (for instance, the patentability of Lewis’ *application* claims) in an interference, arguably its most expensive proceeding, when such issues can often more cost-effectively be resolved in other proceedings.¹²²

Comment

Judge Torczon’s footnote 4 gets to the heart of the matter. Obviously, resolving the patentability of Lewis’s application claims in an interference would be cost-effective for the parties--i.e., for the customers of the PTO. However, the Trial Section gives little or no weight to that consideration. Instead, it gives outcome determinative weight to avoiding work for the board. That is, not deciding issues in interferences is cost-effective for the board, which the Trial Section sees as the most important consideration.

R. Hearings Before Panels of the Trial Section Are Taking on Some of the Trappings of Evidentiary Hearings

Okajima v. Bourdeau

Recently the Trial Section has taken to “inviting” the parties to have transcripts made of its hearings and to submit copies of the transcripts to the panel, which then can quote from the

¹²²59 USPQ2d at 1543-44 (footnotes 1 and 2 omitted).

transcript in its opinion. The Federal Circuit’s opinion in Okajima v. Bourdeau, 261 F.3d 1350, 59 USPQ2d 1795 (Fed. Cir. 2001) (opinion delivered by Circuit Judge Michel for a panel that also consisted of Chief Circuit Judge Mayer and Circuit Judge Linn), provides an excellent example of the importance of such transcripts. According to the Federal Circuit’s opinion:

the record reflects that the Board explicitly questioned Okajima on this subject during the final hearing.^[123] Judge Lee asserted that “in this EP-400 ski boot, when you have the opposite sides all pinned down or journaled-in, then there is no lateral rotation allowed.” After an extended colloquy, counsel failed to convince the Board otherwise.^[124] By explaining its tentative position during the final hearing, giving counsel an opportunity to challenge the Board’s imminent holding, and setting forth its findings in detail in its opinion, the Board has provided our court with a well-supported decision.¹²⁵

Comment

One is, of course, not required to provide a court reporter for a hearing before a panel of the Trial Section or, if one does, to give the panel a copy of the transcript of the hearing. However, my experience on the one occasion when I declined to do so was that the panel held my impudence against me. I won’t do that again, and I recommend that you not do so either.

¹²³Note that, once the parties have submitted a copy of a transcript of the hearing, it becomes a part of the official record of the interference.

¹²⁴According to counsel for Okajima, the “extended colloquy” actually related to a different issue entirely.

¹²⁵261 F.3d at 1356, 59 USPQ2d at 1798.

S. **A Party Is Entitled to the Benefit of the Filing Date of a Priority Application if Its Opponent's Half of the Count Reads on an Adequately Disclosed Embodiment in the Priority Application Even if Its Own Half of the Count Does Not Read on an Adequately Disclosed Embodiment in the Priority Application--At Least Under Some Circumstances**

Furman v. Cheng

For many years, one of the more intriguing open questions relating to interference practice has been whether an interferent is entitled to the benefit of the filing date of an alleged priority application for priority purposes if its opponent's half (but not its half) of the count reads on an adequately disclosed embodiment in the alleged priority application. In Langere v. Compton, 211 USPQ 917 (Comm'r 1980), APJ Calvert (then Vice-Chairman Calvert) said:

Whether or not a party may establish prior invention based upon work which falls within the counts, but not within his disclosure and/or claims, seems to be something of an open question at this time; compare the above-quoted statement from the Squires case [Squires v. Corbett, 560 F.2d 424, 194 USPQ 513 (CCPA 1977) (Rich, J.)] with Clarke v. Schempp, 140 USPQ 430 (Bd. Pat. Int. 1963) and Lee v. Hotten v. Kreutzer, 205 USPQ 559 (Bd. Pat. Int. 1976). In any event, the question is certainly not so well settled that a party should be precluded on that ground alone from amending his [preliminary] statement.¹²⁶

The numerous questions subsumed in that "open question" vary in their complexity and probably in the answers to them. First of all, the open question stated relates to "work"--i.e., an actual reduction to practice. Second, "work" or "disclosure" that is disclosed in the involved

¹²⁶211 USPQ at 918; emphasis supplied.

application or patent but not claimed (or claimed in different scope in the involved application or patent) represents a distinctly different question than “work” or “disclosures” limited to particular inventions that are not disclosed in the involved patent or application.¹²⁷ Questions of constructive reduction to practice raise similar, but not identical, issues. Inventions disclosed in parent applications which are not carried forward into the disclosure of the involved application raise an issue that is similar to the open question in Langere. However, an actual reduction to practice does not require the filing of a patent application to complete it, and a constructive reduction to practice requires continuity of applications. Presumably there is no constructive reduction to practice of material¹²⁸ that is not disclosed in the involved applications. Of course, an invention adequately disclosed in a patent application constitutes a constructive reduction to practice whether or not that invention is claimed.¹²⁹

Now, in Furman v. Cheng, 59 USPQ2d 1668 (PTOBPAI 2001) (non-precedential) (per curiam; panel consisting of SAPJ McKelvey and APJs Torczon and Gardner-Lane), a panel of the Trial Section held without meaningful discussion that, at least in some circumstances, an interferent is entitled to rely on its opponent’s half of the count for priority purposes:

¹²⁷Consider the case in which the party M’s disclosure and claims are limited to invention A and the party N’s disclosure and claims are limited to invention B, and the parties are placed in interference on a phantom count A or B. Compare Moore v. McGrew, 170 USPQ 149 (POBPI 1971). The Clarke and Lee cases cited in Langere hold that proof of work within the counts that was done but not included in the disclosure of the involved applications did not constitute a reduction to practice of the invention of the count even if that work did fall within the count.

¹²⁸Compare In re Lund, 376 F.2d 982, 153 USPQ 625 (CCPA 1967); and Fessenden v. Wilson, 48 F.2d 422, 9 USPQ 274 (CCPA 1931).

¹²⁹Von Recklinghausen v. Dempster, 34 App. D.C. 474, 1910 C.D. 365 (D.C. Cir. 1910); and Benedict v. Menninger, 64 F.2d 1001, 17 USPQ 499 (CCPA 1933).

The count “consists” of the sum of the scopes of Furman claims 1, 2, 3 and 5 and the sum of the scopes of Cheng claims 3, 37, 40, 41, 152, 153, 156 and 157. Proof of a constructive reduction to practice of a species within the scope of *any one* of the mentioned Furman or Cheng claims constitutes a basis for according benefit for the purpose of priority.¹³⁰

If Cheng can establish that its benefit applications constitute a constructive reduction to practice of the subject matter of Furman claim 2 (one alternative of the count)[,] then Cheng can establish its right to benefit for the purpose of priority as to Count 1.¹³¹

Comment

Of course, Langere v. Compton is a precedential opinion, whereas Furman v. Cheng is not, so the Langere question is technically still open. However, two earlier published opinions cited in Langere, Clarke v. Schempp, 140 USPQ 430 (POBPI 1963), and Lee v. Hotten v. Kreutzer, 205 USPQ 559 (PTOBPI 1976), did hold that work performed on inventions that were not disclosed in a party’s involved application or patent could not be relied upon for an actual reduction to practice even if that “work” was within the scope of the count.

Since the issue before the board in Furman concerned a motion to withdraw the benefits of the filing dates of parent applications that were accorded to Cheng in the notice declaring the

¹³⁰59 USPQ2d at 1671; emphasis by the panel.

¹³¹59 USPQ2d at 1671.

interference, the board did not include in its opinion a rather crucial fact--whether or not the pertinent disclosure from the parent Cheng applications was carried forward into Cheng's involved application. However, the discussion in the opinion suggests that the subject matter of the parent applications was in fact carried over into the involved application and that all the shouting was about whether any of Cheng's claims in its involved application was directed to the same subject matter in the same scope as the subject matter in the parent applications. If that is the case, the answer should have been quite clear. Since at least 1910, it has been "well settled" that all adequately disclosed inventions in a patent application are constructively reduced to practice whether there is a claim to them or not. As stated at 57 Federal Register 2700 (January 23, 1992), concerning proposed changes to the rules:

(F) It is proposed that paragraphs (c)(2)(iv) and (c)(3)(iii) of § 1.637 be deleted. These paragraphs require that preliminary motions to amend or add an application claim (§ 1.633(c)(2), or to designate an application claim or patent claim to correspond to a count (§ 1.633(c)(3)), be accompanied by a motion under § 1.633(f) requesting the benefit of a prior application. This requirement is however, unnecessary in the case of motions under § 1.633(c)(2) or (3)), because the question of whether the party should be accorded the benefit of a prior application for priority purposes is determined by reference to whether the prior application supports an embodiment within the count. Weil v. Fritz, 572 F.2d 856, 865-66 n. 16, 196 USPQ 600, 608 n. 16 (CCPA 1978). Motions under § 1.633(c)(2) or (3), which concern only the claims and do not affect the count, would have no effect on a party's entitlement to benefit of a prior application even if they were granted.

Thus, it appears that most of the “open question” from Langere remains open.¹³²

Although the quoted language from the Furman opinion seems to encompass it, the breadth of the Furman opinion may have been unintended.

T. The Federal Circuit Suggests that a Generic Claim Does Not Necessarily Interfere With a Subgeneric Claim

Advanced Cardiovascular Systems, Inc. v. Medtronic, Inc.

Although the propriety of the Trial Section’s controversial holding in Winter v. Fujita, 53 USPQ2d 1234, 1243 (PTOBPAI 2000) (expanded panel), that a generic claim cannot interfere with a patentably distinct subgeneric or species claim was not before the Federal Circuit in Advanced Cardiovascular Systems, Inc. v. Medtronic, Inc., 215 F.3d 1294, 60 USPQ2d 1161 (Fed. Cir. 2001) (opinion delivered by Circuit Judge Linn for a panel that also consisted of Circuit Judges Bryson and Gajarsa), the court’s opinion contains a brief passage that arguably supports the Trial Section’s holding. The issue was whether ACS had committed inequitable conduct by concealing the fact that an agreement between ACS and a company named Schneider (not involved in this litigation) that settled ongoing litigation between ACS and Schneider also “settled an imminent interference between ...[ACS and Schneider].”¹³³ The District Court rejected Medtronic’s argument, and the Federal Circuit affirmed.

¹³²However, the 1984 amendments to 35 USC 135 enabling the board to consider questions of patentability as well as questions of priority enters a significant new factor into the Langere equation. A party’s actual reduction to practice of the other party’s invention, if not abandoned, suppressed, or concealed, defeats the patentability of the opponent’s claim regardless of whether that reduction to practice also establishes priority of invention during the interference. Compare Apotex USA Inc. v. Merck & Co., 254 F.3d 1031, 59 USPQ2d 1139 (Fed. Cir. 2001).

¹³³265 F.3d at 1306, 60 USPQ2d at 1169.

First, the Federal Circuit held that “The settlement agreement did not cover an interference”¹³⁴ and that ACS and Schneider had “actually preserved their right to provoke a possible interference should one become necessary.”¹³⁵

Second, and of relevance here, the Federal Circuit suggested that neither ACS nor Schneider could have provoked an interference in any event:

At all times relevant to the present dispute, the Code of Federal Regulations has defined an interference as a proceeding between parties that are claiming the “same patentable invention.” 37 C.F.R. §§ 1.601(i), 1.601(n) (2000). Medtronic introduced no credible evidence that the parties were claiming the same patentable invention. The evidence actually suggests the contrary. As explained earlier, Schneider added claims to a continuation of the 429 patent that were largely copied from Yock’s [ACS’s] 273 patent. These added claims did not include at least one substantive limitation from the claims in the 273 patent, and so it is questionable whether the claims were for the same patentable invention. Ignoring that potential infirmity, we observe that the examiner rejected these claims over the prior art, and ... [Schneider] subsequently canceled the claims.¹³⁶

Comment

The court’s suggestion that a copied claim that omits a “substantive limitation” may not

¹³⁴265 F.3d at 1306, 60 USPQ2d at 1169.

¹³⁵265 F.3d at 1306, 60 USPQ2d at 1169.

¹³⁶265 F.3d at 1306-07, 60 USPQ2d at 1169-70.

interfere with a claim containing that “substantive limitation” is arguably nothing more than a repetition of the long standard practice under “old rule” 37 CFR 1.205(a)¹³⁷ which permitted an applicant to copy claims for purposes of interference which omitted an “immaterial limitation or variation” that was not in the applicant’s disclosure.

U. Neither Engagement in Settlement Negotiations Nor Client Instructions Excuses Failure to File Timely Preliminary Motions

Tsuruta v. Nardella

In Lee v. McIntyre, 55 USPQ2d 1406 (PTOBPAI 2000) (expanded panel), a party failed to file a timely preliminary statement. Its “excuse” was that it had thought that the case was about to settle. A panel of the Trial Section read the party the riot act, but ultimately did not enter judgment against it. However, it warned that “We may not be so charitable after this opinion is published.”¹³⁸

In Tsuruta v. Nardella, 60 USPQ2d 1822 (PTOBPAI 2001) (non-precedential) (opinion delivered by APJ Crawford for a panel that also consisted of SAPJ McKelvey and APJ Medley), a blended panel consisting of one non-Trial Section APJ and two Trial Section APJs, it wasn’t. Tsuruta had failed to file its preliminary motions because Tsuruta’s client had instructed its

¹³⁷Compare Ex parte Card, 1904 C.D. 383 (Comm’r 1904), an early decision under that practice, and Parks v. Fine, 773 F.2d 1577, 227 USPQ 432 (Fed. Cir. 1985), on rehearing, 783 F.2d 1036, 228 USPQ 677 (Fed. Cir. 1986). See Weinberger, “The Initial Phases of an Interference: The [Counts’],” 62 JPOS 309 (1980).

¹³⁸55 USPQ2d at 1408.

counsel “to minimize expenses involved in this interference and to refrain from filing preliminary motions because settlement negotiations were underway.”¹³⁹

When (1) a party makes a unilateral decision not to file a paper, particularly where as here the decision was made at the express instruction of a client, and (2) then changes its mind after settlement fails, it should not expect sympathy from the board or its opponent.¹⁴⁰

Accordingly, the panel denied Tsuruta’s motion for leave to file belated preliminary motions.

Comment

It can be extremely difficult to resist a client’s instructions of this type! However, sending such a client a copy of this opinion may have a salutary effect.

XI. PATENTABILITY ISSUES ARISING IN AN INTERFERENCE CONTEXT

A. **Teachings From Separate Priority Documents May Not Be Combined to Satisfy the Written Description Requirement For Patentability Purposes**

Yamada v. Aggarwal

In many foreign countries, it is common to file multiple short patent applications during the priority year and then combine all of them into a single application for foreign filing. That often leads to disputes over which of the multiple foreign priority applications first adequately disclosed an embodiment within the scope of a count. However, there is no requirement that, for

¹³⁹60 USPQ2d at 1824.

¹⁴⁰60 USPQ2d at 1827.

priority purposes, any one of the multiple priority applications disclosed all of the subject matter recited in a count.¹⁴¹

Yamada v. Aggarwal, 57 USPQ2d 2002 (PTOBPAI 2000) (non-precedential) (opinion delivered by Administrative Patent Judge Caroff for a panel that also consisted of Administrative Patent Judges Metz and Lorin), involved a different but related issue. That issue was the patentability of two of Yamada's claims designated as corresponding to the count over intervening references. To antedate those references, Yamada needed the benefit of the filing date of any one of his three foreign priority applications, but apparently none of them individually "supported" those claims. Accordingly, he attempted (without success) to combine the disclosure of those priority documents:

Continuing, we additionally find that it would be improper to combine teachings from separate priority documents, in determining whether the description requirement of 35 U.S.C. § 112 has been met, for the reasons given by Aggarwal (ARB-19). In particular, we are unaware of any legal precedent for doing so, and Yamada has not cited any. Moreover, the pertinent sections of the patent statute, 35 U.S.C. § 119(a) and 35 U.S.C. § 199(c), both appear to require that a claimed invention must be described in a single earlier-filed application, i.e., either in "*an* application" or in "*a* subsequent regularly filed application", in order to be accorded the benefit of the filing date of that earlier application. In other words, there is no basis whatsoever in the statute for combining the

¹⁴¹Weil v. Fritz, 572 F.2d 856, 865-66 n.16, 196 USPQ 600, 608 n.16 (CCPA 1978).

disclosures of separate priority documents when determining whether any of those documents provide a sufficient description of an invention to satisfy the first paragraph requirements of 35 U.S.C. § 112.¹⁴²

B. There Is a Difference Between a Count and a Claim!

Rapoport v. Dement

In Rapoport v. Dement, 254 F.3d 1053, 59 USPQ2d 1215 (Fed. Cir. 2001) (opinion delivered by Circuit Judge Clevenger for a panel that also consisted of Circuit Judges Rader and Gajarsa), Rapoport had filed a 37 CFR 1.633(a) motion for a judgment that all of Dement's claims designated as corresponding to the count were unpatentable because anticipated by a certain publication. A panel of the board denied that motion, and a panel of the Federal Circuit affirmed. I have no quarrel with the merits of that holding. What disturbs me is the fact that the Federal Circuit's opinion uses the words "count" and "claim" interchangeably. What was at issue was the patentability of Dement's claims, not the patentability of the count.¹⁴³ Thus,

¹⁴²57 USPQ2d at 2006.

¹⁴³The patentability of a count can become an issue--in the limited sense that a count that reads on subject matter that is unpatentable to both or all parties is an inappropriate vehicle for deciding priority and should be replaced by a count that does not read on subject matter that is unpatentable to both or all parties. See, e.g., Davis v. Uke, 27 USPQ2d 1180, 1186 n. 23 (Comm'r 1993) ("It is appropriate to designate non-allowable claims of an application as corresponding to a count, but the scope of the count should not include non-allowable subject matter.") However, that was not what Rapoport was arguing.

As explained in Hilborn v. Dann, 546 F.2d 401, 403, 192 USPQ 132, 134 (CCPA 1976) (Rich, J.):

The patentability of the [subject matter defined by the] count to petitioner is determinative of whether petitioner's application "would interfere" with the
(continued...)

statements in the panel’s opinion such as the following make no sense and could confuse the uninitiated:

Because the first step of a patentability or invalidity analysis based on anticipation and/or obviousness in view of prior art references is no different from that of an infringement analysis, we must start by interpreting any disputed terms in the interference count.¹⁴⁴

¹⁴³(...continued)

Cuthbert patent. As is clear from 35 USC 135, that question is fundamental to the existence of any question of priority in the Patent and Trademark Office.

That principle has long been established. See 1 Rivise and Caesar, Interference Law and Practice, Sections 5 and 55 (1940). See also Louis v. Okada, 59 USPQ2d 1073, 1075 (PTOBPAI 2001) (“An interference cannot proceed with a count over which a lingering question or doubt as to patentability arises from the face of the moving party’s prosecution history.”).

Some language in 37 CFR 1.601(f) (“A phantom count is not patentable to any party.”) and the opinions in Case v. CPC International Inc., 730 F.2d 745, 221 USPQ 196 (Fed. Cir. 1984); Brandon v. Murphy, 231 USPQ 490, 491 (Comm’r 1986) (“Even assuming that such an expression would render a claim indefinite under 35 USC 112, second paragraph, the inclusion thereof in a count is permissible, since the second paragraph of 35 USC 112 does not apply to counts.”); and In re Van Geuns, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993), have sometimes been construed as indicating that a count need not be limited to subject matter that is patentable over the prior art. Indeed, a count that includes subject matter that is unpatentable over prior art may do no harm so long as the parties’ proofs of priority are limited to the patentable subject matter within the count. The defect in a count that includes subject matter that is unpatentable over the prior art available against one, both, or all of the parties to the interference is that such a count arguably permits a party to prove priority of subject matter that is not within the common patentable invention of the parties.

¹⁴⁴254 F.3d at 1058, 59 USPQ2d at 1219.

C. **The Trial Section Confesses that Interference Practice Lacks Sufficient Discovery to Permit It to Decide Inequitable Conduct Questions**

XX v. YY

In XX v. YY, 59 USPQ2d 1245 (PTOBPAI 1999) (non-precedential) (opinion delivered by SAPJ McKelvey for a panel that also consisted of CAPJ Stoner and APJ Schafer), a panel of the Trial Section “bucked” an important inequitable conduct issue¹⁴⁵ up to be decided in a 35 USC 146 action despite the facts (1) that most of the key witnesses had been cross examined live before an administrative patent judge and (2) that the panel (only one of the members of which had actually witnessed the cross examination) made devastating determinations as to the witnesses’ credibility. According to the panel:

We wish to emphasize that we are not finding that SS [the attorney whose conduct was at issue] did not intend to deceive the PTO; rather, we find that XX has failed to establish that SS intended to deceive the PTO. There is a big difference. Whether additional discovery or evidence in a civil action under 35 U.S.C. § 146 would justify a conclusion different from the one we reach is not an issue which can be before us.¹⁴⁶

We candidly acknowledge that we do not like what occurred here. We are

¹⁴⁵On the merits, the opinion is one of the most interesting and important inequitable conduct opinions to be published in years.

¹⁴⁶59 USPQ2d at 1248 n.4.

relatively certain that the examiner would have further rejected the YY application even if [sic; “even if” apparently should be--if--] he had been made aware of the first set of experiments. Dr. DD’s explanation for [dis]believing the results of the first set of experiments is not particularly compelling. However we might feel about the situation, we are duty-bound to apply the law and Federal Circuit precedent to the facts established *on this record*. On this record, and notwithstanding all we have said, we hold that XX failed to establish by clear and convincing evidence the necessary intent to deceive. We voice no opinion, of course, as to whether additional evidence before a different tribunal might lead the tribunal to reach a different result.¹⁴⁷

Comment

The panel’s inability to find inequitable conduct in this case (and in others like it) is a self-inflicted wound. If the PTOBPAI’s rules provided for decent discovery (as the TTAB’s rules do), the panel would not have had this problem. See generally Gholz, Patent Interferences--Big Ticket Litigation with No Effective Discovery, 4 Intellectual Property Today No. 9 at page 10 (1997).

D. The Trial Section Is Admonished for Its Failure to Make a Finding Concerning the Level of Skill of a Person of Ordinary Skill in the Pertinent Art at the Pertinent Time

Okajima v. Bourdeau

According to Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467 (1966), an entity deciding a 35 USC 103 issue is supposed to determine (1) the scope and content of the

¹⁴⁷59 USPQ2d at 1250; emphasis in the original.

prior art, (2) the differences between the prior art and the claims at issue, and (3) the level of ordinary skill in the pertinent art at the pertinent time. As a result of that mandate, interferences have traditionally had their expert witnesses opine as to the level of ordinary skill in the pertinent art at the pertinent time. Then, in Argyropoulos v. Swarup, 56 USPQ2d 1795 (PTOBPAI 2000), discussed in Gholz, A Critique of Recent Opinions in Patent Interferences, 83 JPTOS 161 (2001) at pages 198-99, a panel of the Trial Section criticized a fairly conventional attempt to comply with the Supreme Court's mandate as "confus[ing]."¹⁴⁸

Now, in an entertaining development, the Federal Circuit has criticized the Trial Section for its failure to make any attempt to comply with the Supreme Court's mandate. No doubt bearing in mind Argyropoulos's criticism of such evidence, the panel of the Trial Section whose decision was reviewed in Okajima v. Bourdeau, 261 F.3d 1350, 59 USPQ2d 1795 (Fed. Cir. 2001) (opinion delivered by Circuit Judge Michel for a panel that also consisted of Chief Circuit Judge Mayer and Circuit Judge Linn), simply made no findings of fact regarding the level of ordinary skill in the art. On appeal, Okajima contended that the panel's failure to do so was error as a matter of law, and the Federal Circuit very nearly agreed. According to it, "it is always preferable for the factfinder below to specify the level of skill it has found to apply to the invention at issue..."¹⁴⁹ because:

As described in Al-Site Corp. v. VSI International, Inc., 174 F.3d 1308, 1324, 50 USPQ2d 1161, 1171 (Fed. Cir. 1999), the level of skill in the art is a prism or lens

¹⁴⁸56 USPQ2d at 1807.

¹⁴⁹261 F.3d at 1355, 59 USPQ2d at 1797.

through which a judge, jury, or the Board views the prior art and the claimed invention. This reference point prevents these factfinders from using their own insight or, worse yet, hindsight, to gauge obviousness. Id. Skill in the art does not act as a bridge over gaps in substantive presentation of an obviousness case, but instead supplies an important guarantee of objectivity in the process. Id. (citing Ryko Mfg. Co. v. Nu-Star, Inc., 950 F.2d 714, 718, 21 USPQ2d 1053, 1057 (Fed. Cir. 1991)).¹⁵⁰

The court decided that the Trial Section’s failure to make a finding of fact concerning the level of ordinary skill in the pertinent art at the pertinent time in this case was not reversible error only because the parties agreed that the level of skill in the pertinent art “was high,”¹⁵¹ so “any finding by the Board that the proper level of skill is less than that urged by the parties would only reinforce the Board’s conclusion of nonobviousness.”¹⁵²

Comment

No matter what it thinks of the persuasiveness of the Supreme Court’s analysis in Graham v. John Deere Co., the Trial Section would do well to hold its nose and make the finding mandated by the Supreme Court’s opinion.

¹⁵⁰261 F.3d at 1354-57, 59 USPQ2d at 1797.

¹⁵¹261 F.3d at 1355, 59 USPQ2d at 1797. According to counsel for Okajima, this statement by the court is incorrect:

the parties did not agree on the level of skill in the art. I alleged that the level of skill in the art was very high, Bourdeau did not respond to the allegation, and the Board did not make any finding about it.

¹⁵²261 F.3d at 1355, 59 USPQ2d at 1797.

XII. COURT REVIEW OF DECISIONS IN INTERFERENCES

A. **A District Court in a 35 USC 146 Action Can Order the Board to Vacate Its Judgment Pursuant to Settlement of the Parties Without Having Tried the Case Itself**

Cabilly v. Boss

From time to time, parties to a 35 USC 146 action will settle the interference in a manner that is inconsistent with the board's judgment and ask the district court to issue an order in effect requiring the board to vacate its original judgment and to issue a new judgment consistent with the settlement agreement. In my experience, the board has been noticeably hostile to such settlements, but it has nevertheless implemented them. Cabilly v. Boss, 60 USPQ2d 1752 (PTOBPAI 2001) (non-precedential) (opinion delivered by SAPJ McKelvey for a panel that also consisted of APJs Schafer and Torczon), is an example supporting both propositions. Moreover, it contains excellent guidance as to (1) how to obtain the desired result and (2) how to minimize the board's annoyance. As a starter, one should carefully proofread the papers submitted for the district judge's signature! Also, one should recognize that the district court does not have authority to order the PTO to issue a patent to a prevailing applicant. Instead, the district court can only remand for further action consistent with its opinion, which can include further ex parte prosecution:

Moreover, under well-established principles, a favorable decision on judicial review does not mean that the Director may not reject claims in an application on the basis of a ground not involved in [the] judicial review. *See, e.g., In re Ruschig*, 379 F.2d 990, 154 USPQ 118 (CCPA 1967).⁹

⁹*Ruschig* is binding Federal Circuit precedent. *South Corp. v. United States*, 690 F.2d 1368, 215 USPQ 657 (Fed. Cir. 1982).¹⁵³

Comment

A remand to implement a settlement agreement should be distinguished from a remand to the board to decide issues which it did not reach initially because it was able to enter judgment without reaching those issues. If the court in a 35 USC 146 action reverses the board on the issues that it did reach, the court will normally remand the case to the board with instructions to decide some or all the remaining issues. See, e.g., *Kochler v. Mustonen*, 774 F. Supp. 641, 643-45, ___ USPQ2d ___, ___ (D.D.C. 1991).

XIII. POST-INTERFERENCE PRACTICE

A. **Is It Safe Not to File a Copy of a Settlement Agreement Entered Into After Court Review of a Board Decision in an Interference Has Begun?**

Johnston v. Beachy

In 1998 I published a two-part article entitled The Law and Practice Under 35 USC 135(c), 80 JPTOS 561, 675 (1998). In the section of that article entitled “What is the termination of...[an] interference as between the said parties to an agreement or understanding’ Within the Meaning of 35 USC 135 (c)?,” 80 JPTOS at 585-89, I reviewed the very confusing case law on that subject.¹⁵⁴ The clear moral of that review was to file copies of settlement

¹⁵³60 USPQ2d at 1756.

¹⁵⁴Some district courts had stated that an interference “terminates” for purposes of 35 USC 135(c) when the participants enter into an agreement that reduces their incentive to litigate with maximum vigor even though the interference is going forward before the board, and the CCPA (continued...)

agreements entered into after court review of a board decision in an interference had begun. If the Federal Circuit ultimately held that it is unnecessary to file copies of such agreements, presumably no harm would be done by filing an unnecessary copy.¹⁵⁵ However, if the Federal Circuit ultimately held that it is necessary to file copies of such agreements, and if one failed to do so, the consequences would be catastrophic.¹⁵⁶

In Johnston v. Beachy, 60 USPQ2d 1584 (PTOBPAI 2001) (opinion for an expanded panel by APJ Torczon, joined by SAPJ McKelvey and APJs Schafer, Lee, Spiegel, Gardner-Lane, Medley, and Tierney), the Trial Section attempted to settle the issue by holding that “an interference is terminated when the time for seeking review is past regardless of whether such review is sought....”¹⁵⁷ It offered four rationales for this holding, and I will discuss each of those four rationales in the order set forth in the opinion.

¹⁵⁴(...continued)
specifically ducked the opportunity to say that interferences terminate for purposes of 35 USC 135(c) at the conclusion of the administrative phase of the proceedings.

¹⁵⁵At worst, the board might refuse to accept the copy and send it back to the attorney who submitted it. Cf. LaCroix v. Bellini, 58 USPQ2d 1528 (CAPJ 2001) (non-precedential), and Nelson v. Bowler, 212 USPQ 760, 762 (Comm’r 1981) (“Since the agreement copy was filed beyond the six-month period, under the provisions of 35 USC 135(c) the Commissioner has no authority to accept it, regardless of whether or not ‘good cause’ is shown.”)

¹⁵⁶If the interferences violate 35 USC 135(c), not only is any patent involved in or that matures from an application involved in the interference permanently unenforceable, but so is the agreement. The latter consequences can be far more significant than the former. See Gholz, *op. cit.* supra at 581 n. 54 and 593 n. 87.

¹⁵⁷60 USPQ2d at 1589.

First, the opinion states that the Trial Section is “bound by § 1.661 and the construction of that the Director has given to the rule...”¹⁵⁸ in its “regulatory history.”

37 CFR 1.661 says that:

After a final decision is entered by the Board, an interference is considered terminated when no appeal (*35 U.S.C. 141*) or other review (*35 U.S.C. 146*) has been or can be taken or had.

However, 37 CFR 1.661 does not say when an interference is considered terminated when an appeal or other review has been or can be taken or had. Accordingly, 37 CFR 1.661 certainly does not settle the issue.

As for the regulatory history¹⁵⁹ cited by the Trial Section, it says only that:

Section 1.661 sets forth when an interference is considered terminated after a judgment is entered in the interference. For the purpose of filing copies of settlement agreements, an interference is considered terminated when the time for all appeals has expired. Tallent v. Lemoine, 204 USPQ 1058 (Comm’r. Pat. 1979). See also Nelson v. Bowler, 212 USPQ 760 (Comm’r Pat. 1981).

However, the Trial Section’s opinion points out (correctly) that:

¹⁵⁸60 USPQ2d at 1589; footnote omitted.

¹⁵⁹The regulatory history cited by the Trial Section may be found at 49 Fed. Reg. 48,416, 48,427 (12 Dec 1984).

The Tallent decision held a filed settlement agreement timely because it was filed within the time permitted for filing an appeal. As Gholz observes (at 587 n. 70), the Nelson case avoids the issue as moot since Bowler would have lost even under the construction that the interference continues during judicial review.¹⁶⁰

Hence, while it is true that the regulatory history asserts that, “For the purpose of filing copies of settlement agreements, an interference is considered terminated when the time for all appeals has expired,” neither opinion cited in the regulatory history supports that assertion. Moreover, if the Commissioner really meant what he said in the regulatory history, he (and his successors) have had almost twenty years to amend 37 CFR 1.661 to clearly so state. The fact that the Commissioner/Director has not done so suggests (to me) that the assertion in the regulatory history should not be taken seriously. Accordingly, I believe that there really is no regulatory history compelling the result reached by the Trial Section.

Next, the Trial Section said that “there are many reasons to believe that Congress did not intend for § 135(c) to apply to other proceedings [i.e., to proceedings other than interferences pending before the board],”¹⁶¹ and it gives three of those “many reasons”.

According to the Trial Section:

First is placement: the requirement is placed in the same section as the authority for interferences in the Office (§ 135(a)) and the statute of repose from such interferences (§ 135(b)). It was not placed on its own as a general provision and,

¹⁶⁰60 USPQ2d at 1589; footnote omitted.

¹⁶¹60 USPQ2d at 1589.

indeed, is located in chapter 12 of title 35, which is a different chapter than the locations for § 146 (chapter 13) or § 291 (chapter 29).¹⁶²

However, 35 USC 256 (which states a ground for invalidating a claim--namely, incorrect inventorship that cannot be corrected) is in chapter 25, not chapter 29 (where the other grounds for invalidating claims are collected). The truth of the matter is that 35 USC grew over time, and not always logically. Thus, the fact that 35 USC 135(c) is in chapter 12 rather than chapter 18 or chapter 29 is an extremely weak reed on which to rely.

Next, the Trial Section said that:

Second, is purpose: Congress and the Executive branch feared conspiracy under the cover of confidentiality afforded in interferences. Acting Secretary of Commerce, correspondence to House, published in S. Rep. 87-2169, reprinted at 1962 U.S.C.C.A.N. at 3287, 3288. When § 135(c) was enacted interferences were, and currently are, largely shielded from sight automatically by the confidentiality provisions of 35 U.S.C. 122(a), while judicial proceedings are public except to the extent that a district court judge deliberately enters a confidentiality order on the public record. Even in the unlikely event that a district court fails to act in the public interest when entering such an order, the public nature of the order and the overall proceeding will still offer ample

¹⁶²60 USPQ2d at 1589; footnote omitted.

opportunity for enforcement agencies to become involved. Hence, the need addressed in § 135(c) does not extend to judicial proceedings.¹⁶³

I think that this is the least persuasive of the Trial Section's four rationales.

In the first place, most court review of board decisions is sought by way of direct appeals to the Federal Circuit under 35 USC 141 rather than by way of civil actions in district courts under 35 USC 146.¹⁶⁴ While the Solicitor does occasionally intervene in (or file amicus briefs in) 35 USC 141 appeals,¹⁶⁵ there is essentially zero probability that any "enforcement agenc[y]" (sic; the Antitrust Division) will become involved in such an appeal.

In the second place, the Trial Section's rationale doesn't make any sense even as to 35 USC 146 district court review of board decisions. The Trial Section is clearly right that the background of the promulgation of 35 USC 135(c) is that "Congress and the Executive branch feared conspiracy [by the parties] under the cover of confidentiality afforded in interferences." However, if the parties to a 35 USC 146 action are conspiring, they are not going to put anything in the public record of the 35 USC 146 action that would attract the attention of the Antitrust

¹⁶³60 USPQ2d at 1589-90.

¹⁶⁴Regrettably the board has stopped publishing such statistics. However, Calvert et al., Interference Statistics for Fiscal Years 1992 to 1994, 77 JPTOS 417, 426 (1995), indicates that, for that period:

Court review was sought in 41 (28.1%) of the 146 interferences (139 two-party, seven multi-party) in which the Board rendered a decision after final hearing. 26 appeals were filed in the Court of Appeals for the Federal Circuit[,] and 15 civil actions under 35 USC 146 were filed in the U.S. district courts....

¹⁶⁵See, e.g., Parks v. Fine, 783 F.2d 1036, 228 USPQ 677 (Fed. Cir. 1986), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 69 JPTOS 657 (1987) at pages 667-68.

Division! In my article I concluded that “what became 35 USC 135(c) was apparently expected to assist the Antitrust Division of the Justice Department in ferreting out anti-social activity by the patent interference bar.”¹⁶⁶ However, the only way that 35 USC 135(c) can accomplish that result is to allow the representatives of the Antitrust Division to review the settlement agreements, and the only way that the representatives of the Antitrust Division will have the opportunity to do that is if copies of the settlement agreement are filed.

Next, the Trial Section said that:

Finally, jurisdiction and constitutional factors bear on whether the Board should act on settlement matters arising during judicial review. Congress expressly gave both the Federal Circuit and district courts authority (§§ 141 and 146) to review an “interference”, while the Board has no comparably explicit authority to adjudicate any aspect of a judicial proceeding. Moreover, the Board is situated in the Executive branch of government; the courts, in the Judicial branch. It would be odd to construe a single proceeding as continuing across constitutionally separate, collateral branches of government. Principles of separation of powers and comity would prevent us from entangling the Board in judicial proceedings unless absolutely necessary.¹⁶⁷

However, construing 35 USC 135(c) to require the filing of copies of settlement agreements entered into after judicial review of a decision by the board has begun would not

¹⁶⁶80 JPTOS at 563.

¹⁶⁷60 USPQ2d at 1591; footnotes omitted.

require the board to “act on settlement matters arising during judicial review.” All that the board does with the copies of 35 USC 135(c) agreements it receives is to put them in a locked filing cabinet!¹⁶⁸ What the consequences of those agreements are is normally up to the Antitrust Division, not to the board.¹⁶⁹

Comment

So, is it safe? In my opinion, no. While the Trial Section reached a desirable result, it is only a trial entity, and the rationales given in its opinion in Johnston v. Beachy are remarkably unpersuasive. Under the circumstances, I don’t think that it would be safe to rely on the Trial Section’s holding in Johnston unless and until the Federal Circuit endorses it. Accordingly, I strongly recommend that interferences continue to file copies of settlement agreements entered into after court review of board decisions has begun.

XIV. RELATIONSHIP OF INTERFERENCE PROCEEDINGS TO COURT PROCEEDINGS

A. Stay of Parallel Infringement Action Granted to Further the Interests of Judicial Economy and the Conservation of the Parties’ Resources

Wireless Spectrum Technologies Inc. v. Motorola Corp.

In Wireless Spectrum Technologies Inc. v. Motorola Corp., 57 USPQ2d 1662 (N.D. Ill. 2001) (Kennelly, J.), the court stayed a patent infringement action pending decision in a parallel

¹⁶⁸Nelson v. Bowler, 212 USPQ 760, 762 (Comm’r 1981) (“the PTO is merely the repository for copies of agreements filed under 35 USC 135(c), and does not undertake to rule on whether the statute requires that a copy of a particular agreement be filed.”)

¹⁶⁹Of course, in Johnston the board was called upon to decide what the consequences of Beachy’s alleged failure to comply with 35 USC 135(c) in a previous interference. However, even here the legality of the agreement that Beachy had allegedly not filed in timely fashion was not at issue before the board.

interference¹⁷⁰ on the grounds “a stay will further the interests of judicial economy and the conservation of the parties’ resources.”¹⁷¹ The court noted that both the infringement action and the interference “involve[d] the validity” of the same patent,¹⁷² and it asserted that:

If the PTO with its unique expertise determines that all or some of the 453 Patent’s claims are invalid, that determination will either dispose of this case entirely or at least aid the Court in adjudicating this case. *** Under these circumstances, there is no need for either party to spend time and money litigating both here and in front of the PTO at the same time.¹⁷³

The patentee (“Wireless”) had argued against the stay on the ground that the patent might “expire before the PTO adjudicates the Interference, which...[would] prejudice Wireless by eliminating the possibility of obtaining a permanent injunction.”¹⁷⁴ In response, the court noted that the 453 patent is not scheduled to expire until April 2005, and it asserted that “Wireless has failed to show either that the Interference is likely to outlast the 453 Patent or that damages will not adequately remedy Motorola’s alleged infringement in the event an injunction is

¹⁷⁰In the interests of complete candor, I note that my colleagues W. Todd Baker, Robert C. Mattson, and I represent Motorola in the parallel interference.

¹⁷¹57 USPQ2d at 1663.

¹⁷²57 USPQ2d at 1663-64.

¹⁷³57 USPQ2d at 1664.

¹⁷⁴57 USPQ2d at 1663; footnote omitted.

unavailable.”¹⁷⁵ In a footnote, the court asserted that it had not found and that neither party had cited “any credible authority as to the likely duration of the Interference.”¹⁷⁶

Comments

(1) The district court underestimated the potential impact of a judgment in the interference on the parallel infringement litigation. In point of fact, the panel’s decision will be entitled to issue preclusion effect even if it does not result in cancellation of claims from the 453 patent. See my comments in last year’s critique on the similar statement in Bayer AG v. Novartis Crop Protection, Inc., ____ F.Supp.2d ____, 55 USPQ2d 1509 (M.D.LA 2000).¹⁷⁷

(2) It is extremely regrettable that the board no longer publishes statistics concerning the pendency of interferences. While Motorola was able to persuade the judge that the statistics published in Calvert and Sofocleous, Interference Statistics for Fiscal Years 1992 to 1994, 77 JPTOS 417 (1995) are grossly out of date, it was not able to cite the court to more recent “official” or “semi-official” statistics. In point of fact, the parallel interference is being handled by the Trial Section, and there are no priority issues. Accordingly, “the PTO...adjudicate[d] the Interference”¹⁷⁸ before the end of 2001.

B. Decisions in Interferences Can Impact on Claim Interpretation Even When They Are Not Given Issue Preclusion Effect

¹⁷⁵57 USPQ2d at 1664; footnote omitted.

¹⁷⁶57 USPQ2d at 1664 n.2.

¹⁷⁷Gholz, A Critique of Recent Opinions in Patent Interferences, 83 JPTOS 161 (2001) at pages 207-08.

¹⁷⁸57 USPQ2d at 1663.

Kimberly-Clark Corp. v. Tyco International (US), Inc.

In Kimberly-Clark Corp. v. Tyco International (US), Inc., 2001 U.S. App. LEXIS 2734 (Fed. Cir. Feb. 20, 2001) (non-precedential) (opinion delivered by Circuit Judge Bryson for a panel that also consisted of Circuit Judges Michel and Lourie), the court used the decision of a panel of the board in an interference involving the application that matured into one of the patents in suit to construe Kimberly-Clark's claims even though it did not give that decision issue preclusion effect.

During pre-interference practice Enloe (Kimberly Clark's assignor) had amended his claims to add a "fluid pervious" flaps limitation to his claims. Then, during an interference with Lawson (a party unrelated to the defendants in this patent infringement action), "Enloe amended his claims to copy those of the Lawson patent, which had the effect of omitting the explicit 'fluid pervious' [flaps] limitation from his claims."¹⁷⁹ However, despite the fact that Enloe's amended claims and the count of the interference were facially generic to both fluid pervious and fluid impervious flaps, the APJ did not designate the claims in the Lawson patent that were specifically directed to fluid impervious flaps as corresponding to the count. Moreover, when "Enloe challenged that determination, filing a motion to amend the count to add the fluid impervious claims from Lawson,"¹⁸⁰ the panel "denied Enloe's motion, finding that those claims

¹⁷⁹2001 U.S. App. LEXIS 2734 at #6. While the court's description of the mechanics of the interference is unclear, it seems likely that the amendment was made by a 37 CFR 1.633(c)(2) motion rather than as part of a 37 CFR 1.607 request.

¹⁸⁰2001 U.S. App. LEXIS 2734 at #6. Again, it is unclear exactly what happened in the interference. There is no such thing as a motion to "amend" a count. Either Enloe filed a 37 CFR 1.633(c)(3) motion to have Lawson's fluid impervious claims designated as corresponding to the count or Enloe filed a 37 CFR 1.633(c)(1) motion to substitute a count that was facially

(continued...)

were not anticipated by the count and that Enloe had failed to show that they were obvious in view of the count.”¹⁸¹

Enloe prevailed in the interference against Lawson, eventually obtained the patents in suit (which contained claims that were not facially limited to fluid pervious flaps), and sued Tyco--which, of course, did not have fluid pervious flaps. Nonetheless, the district court held that Kimberly Clark’s claims were limited to fluid pervious flaps, and, on appeal, the Federal Circuit affirmed. Although it stated several grounds for its holding, the one of interest here is based on the interference history:

Although Enloe originally specified “fluid pervious” flaps in the application that became Enloe II, he deleted the reference in the claims to “fluid pervious” flaps at the time of the interference in order to copy the claims of the Lawson patent.

There is no suggestion in the prosecution history that the deletion of that language had the effect of recapturing^[182] fluid impervious flaps. Indeed, the exclusion of Lawson’s fluid impervious claims from the interference, and the denial of Enloe’s motion seeking to add those claims, indicates that the examiner and the Board of Patent Appeals and Interferences understood that Enloe had disclaimed fluid

¹⁸⁰(...continued)

broad enough to read on both fluid pervious and fluid impervious flaps and asked to have Lawson’s fluid impervious claims designated as corresponding to the that count pursuant to 37 CFR 1.637(c)(1)(iv).

¹⁸¹2001 U.S. App. LEXIS 2734 at #6.

¹⁸²The word “recapturing” is, of course, a term of art in reissue law. However, there was no reissue application or patent involved in this case, and the court used the term “recapturing” in a non-reissue sense.

impervious flaps notwithstanding the omission of the express references to fluid pervious flaps.¹⁸³

Comment

Why wasn't the panel's holding that "Enloe had failed to show that...[the subject matter defined by Lawson's claims that recited fluid impervious flaps] were obvious in view of the count"¹⁸⁴ entitled to claim preclusion effect? See Coakwell v. United States, 292 F.2d 918, 130 USPQ 231 (Ct. Cl. 1961), made applicable to the Federal Circuit by South Corp. v. United States, 690 F.2d 1368, 215 USPQ 657 (Fed. Cir. 1982) (en banc), and Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation, 402 U.S. 313, 169 USPQ 513 (1971). If the court had so held, it would have enormously shortened its reasoning process.

C. Interference Estoppel Cannot Be Used as an Invalidity Defense in Subsequent Patent Infringement Litigation

Exxon Corp. v. Phillips Petroleum Co.

In Exxon Corp. v. Phillips Petroleum Co., 265 F.3d 1249, 60 USPQ2d 1368 (Fed. Cir. 2001) (opinion delivered by Circuit Judge Newman for a panel that also consisted of Senior Circuit Judge Friedman and Circuit Judge Linn), Phillips argued that Exxon's claims were invalid because presentation of those claims during post-interference ex parte practice was barred by interference estoppel--that is, that the examiner who allowed those claims should not have done so because presentation of those claims was precluded by interference estoppel.

¹⁸³2001 U.S. App. LEXIS 2734 at #10-#11.

¹⁸⁴2001 U.S. App. LEXIS 2734 at #6.

However, the district court ruled that interference estoppel “has no applicability outside of internal PTO procedures...,”¹⁸⁵ and the Federal Circuit affirmed. According to it:

The district court observed that no court has recognized this ground of patent invalidity. *** [T]he district court ruled that a procedural lapse in an interference proceeding does not affect whether the claims are valid or enforceable under the laws of validity and enforceability. No court has held otherwise. See, e.g., Exxon Corp. v. Mobil Oil, No. H-96-3795 (S.D. Tex. Aug. 12, 1998) (holding that interference estoppel is not a valid defense); Baxter Int’l Inc. v. Cobe Lab., Inc., No. 89 C 9460, 1991 WL 288828 (N.D. Ill. Dec. 26, 1991) (denying motion for summary judgment on interference estoppel issue due to genuine issues of material fact, recons. denied, 1992 WL 151894 (N.D. Ill. June 15, 1992); Chemetron Corp. v. Airco, Inc., 198 USPQ 119, 125-26 (N.D. Ill. 1976 (questioning applicability of interference estoppel as invalidity defense). The two cases that Phillips cites in support of its argument, In re Deckler, 977 F.2d 1449, 24 USPQ2d 1448 (Fed. Cir. 1992) and In re Kroekel, 803 F.2d 705, 231 USPQ 640 (Fed. Cir. 1986), relate to prosecution within the PTO, not the validity of an issued patent claiming subject matter found to be patentable. Neither Kroekel nor Deckler holds that a possibly imperfect interference

¹⁸⁵265 F.3d at 1253, 60 USPQ2d at 1371.

procedure is a defense in an infringement action, whether the imperfection was due to the examiner, the applicant, or both.¹⁸⁶

Comment

It is unfortunate that the issues relating to the “interference estoppel” arguments apparently were not clearly delineated during the trial or appeal. The citations of the Deckler and Kroekel opinions by Phillips is confusing because those opinions dealt with distinctly different issues. Deckler involved issues of collateral estoppel, whereas Kroekel primarily relates to issues of “interference estoppel” of the types codified in 37 CFR 1.658(c). The distinction between the two types of estoppel is important. 37 CFR 1.658(c) types of estoppel generally apply only between the involved parties, whereas the scope of collateral estoppel is not so limited.¹⁸⁷

As the opinion explains:

The asserted procedural error arises from the interference involving the second Exxon application in this chain, wherein the examiner designated certain claims as subject to rejection if priority were lost as to the count of the interference. The interference count was directed to unsubstituted metallocene catalysts; the designated claims were generic to both unsubstituted and substituted metallocene catalysts. After Exxon lost the interference it continued to prosecute

¹⁸⁶265 F.3d at 1254, 60 USPQ2d at 1371-72.

¹⁸⁷See, for example, Hartley v. Mentor Corp., 849 F.2d 1469, 1470-71, 10 USPQ2d 1138, 1139 (Fed. Cir. 1989).

claims to substituted metallocene catalysts. Phillips argues that Exxon was estopped to do so.

Phillips states that Exxon was obligated to ascertain the patentability of this subject matter during the interference, by filing a motion asking the interference examiner to designate the claims designated as subject to rejection as unpatentable over the count. Phillips states that this inaction estopped Exxon from seeking a patent on the substituted metallocenes, whether or not they are patentably distinct from the count of the interference. Phillips states that the patent obtained by Exxon is *per se* invalid because this procedure was not followed.¹⁸⁸

The opinion does not indicate whether Phillips was (or was in privity with) a party opposing Exxon in the interference.

The stated facts indicate that the issue was “interference estoppel” (i.e., estoppel based on issues that were not, but could have been, decided during the interference) rather than collateral estoppel (issue preclusion) based on issues that were decided during the interference.

However, it is not clear from the opinion whether all of Exxon’s claims that were designated in the notice declaring the interference as corresponding to the count were generic to both unsubstituted and substituted compounds or whether Exxon also had claims limited to unsubstituted compounds which were also designated in the notice declaring the interference as

¹⁸⁸265 F.3d at 1253-54, 60 USPQ2d at 1371; emphasis supplied.

corresponding to the count.¹⁸⁹ Exxon's claims (if any) limited to substituted compounds apparently were designated in the notice declaring the interference as "not corresponding to the count."¹⁹⁰

It is confusing that the opinion uses the expression "the examiner designated certain claims as subject to rejection if priority were lost as to the count" apparently to describe the examiner's simple warning that post-interference ex parte examination would include the issue of the possible unpatentability of the claims that were not designated as corresponding to the count in the interference over the claims involved in (or the count) of the interference (i.e., the collateral estoppel effect that Deckler addresses). While "designated" is grammatically correct in describing the claims identified in the warning, the term "designated" has a specific meaning in the context of interference issues.¹⁹¹

The board has jurisdiction to decide patentability of only those claims that are designated during the interference as corresponding to a count.¹⁹²

¹⁸⁹It would be proper to designate as corresponding to the count claims generic to subject matter defined by the count whether or not those claims were also generic to subject matter designated as not corresponding to the count. Compare Irikura v. Petersen, 18 USPQ2d 1362, 1363-64 (PTOBPAI 1990). Petersen's claims 1-3 and 12-15 were designated as corresponding to three mutually exclusive counts in separate interferences. See also Examples 18 and 36 at 49 Fed. Reg. 48421,48441 (December 12, 1984).

¹⁹⁰At least since 1985, proper declarations of interference have explicitly designated "claims corresponding to the count" and "claims designated as not corresponding to the count." Declarations of interference prior to that time sometimes only explicitly designated "claims corresponding to the count," thereby implicitly designating any other claims remaining as not corresponding to the count.

¹⁹¹Basically it means that a "designated" claims has been grouped with a count and will be lost if the owner of the claim loses as to priority with respect to that count.

¹⁹²Maier v. Hanawa, 26 USPQ2d 1606, 1609 (Comm'r 1992).

Phillips' argument is incorrect that Exxon could have filed a motion asking the board to "dedesignate the claims designated as subject to rejection" unless those claims had been designated as corresponding to the count. The rules do not provide for a motion to determine the patentability of a claim that is not designated as corresponding to a count.¹⁹³ A claim designated as not corresponding to a count cannot be designated as corresponding to a count without a determination by the board that the claim sought to be so designated is drawn to the same patentable inventions as the claims that are designated as corresponding to the count.

Since 37 CFR 1.658(c) estoppel is, by its terms, limited to "tak[ing] ex parte or inter partes action in the Patent and Trademark Office after the interference," it does not apply as such to other forums. However, the principles of judicial finality codified for the PTO in the rule are clearly consistent with well recognized principles that are set forth in judicial decisions and the Restatement (Second) of Judgments. Thus, while the result in Exxon appears clearly to be correct either under 37 CFR 1.658(c) or under the broader rules of judicial finality, it is unfortunate that the opinion focuses primarily on the applicability of the PTO rule to non-PTO controversies rather than the traditional principles that happen to be expressed in the PTO's rule.¹⁹⁴ The issue involved in Exxon does not appear to be one based simply on a failure to comply with a non-substantive "procedure" peculiar to the PTO.

XV. CONCLUSION

¹⁹³L'Esperance v. Nishimoto, 18 USPQ2d 1534, 1537 (PTOBPAI 1989, 1991).

¹⁹⁴See, generally, Gholz, Collateral Estoppel Effect of Decisions by the Board of Patent Appeals and Interferences, 65 JPOS 67 (1983), and Gholz, The Decisions of the Board in an Interference are Entitled to Issue-Preclusion Effect in a Parallel Patent Litigation But Not Vice Versa, 6 Intellectual Property Today 8 (1999).

Clearly the big news of the last two years in interference law was the board's (or the Trial Section's--it is not clear which) decision to start publishing opinions--a practice which it abandoned several years ago. Those opinions have been eye-opening, to say the least, and they have led to a lively debate concerning some of the Trial Section's practices.¹⁹⁵ With perseverance and a little luck, that debate might even lead the Trial Section to change some of its practices.

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¹⁹⁵To engage in, or least monitor, that debate, you can sign up on the List Serve of the Interference Committee of the American Intellectual Property Law Association. To join the "patentinterference" online group, point your browser to www.egroups.com, and log in to the egroups web site. Once you respond to the automated email confirming that you have given your correct email address, enter "patentinterference" as the name of the egroup that you want to join. Once you have joined the patentinterference group, you will see stored emails and links to the uploaded files. Click the appropriate item to view it. To send email to the group members, send to pateinterference@egroups.com.