

THE IMPACT OF STATUTORY  
INVENTION REGISTRATIONS ON  
INTERFERENCE PRACTICE\*

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I. INTRODUCTION

35 USC 157 expressly provides for interferences involving applications for statutory invention registrations (hereinafter referred to as "SIR's"),<sup>1</sup> and it implicitly provides for interferences involving SIR's.<sup>2</sup> However, the fact that applications for SIR's are not examined for patentability over the prior art means that both SIR's and applications for SIR's can have very broad claims, including claims that are in fact

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\*\*Oblon, Fisher, Spivak, McClelland & Maier, P.C.; Arlington, Virginia.

\*\*\*Mobay Chemical Corporation; Pittsburgh, Pennsylvania.

1 35 USC 157(a) provides in relevant part that, "If an interference is declared with respect to . . . an application [for a SIR], a statutory invention registration may not be published unless the issue of priority of invention is finally determined in favor of the applicant." Query whether this unfortunate language means that the late, unlamented doctrine of ancillarity has survived in interferences involving applications for SIR's—i.e., that the only issue in such proceedings is "the issue of priority of invention," as opposed to other interferences, in which the board has the authority to "determine questions of priority and . . . questions of patentability." 35 USC 135(a); emphasis supplied. Such a result would, of course, be ludicrous, but it is not inconsistent with the statutory language.

2 35 USC 157(c) states that, with certain exceptions not applicable here, SIR's "shall have all of the attributes specified for patents in this title." One such attribute is the ability to become involved in an interference.

unpatentable over the prior art.<sup>3</sup> This in turn means that 35 USC 157 is likely to have some fairly significant, and probably completely unintended, impacts on interference practice.<sup>4</sup>

## II. WILL THE CLAIMS IN SIRs AND APPLICATIONS FOR SIR's BE PRESUMED VALID FOR PURPOSES OF INSTITUTING INTERFERENCES?

In an article<sup>5</sup> published by the Patent, Trademark, and Copyright Law Division of the District of Columbia Bar and delivered at the joint D.C. Bar/Virginia Bar/AIPLA continuing legal education seminar on *Practice Under The New Interference Rules* on January 15, 1985, Joel M. Freed, Esq., referred to SIR's as "the phantom opponent" and suggested that, in order to carry out the statutory mandate of giving SIR's "all of the attributes specified for patents in this title except those specified in section 183 and sections 271 through 289 of this title,"<sup>6</sup> examiners will "presume" that all claims in SIR's are patentable over the prior art.<sup>7</sup> Since many claims

<sup>3</sup> 35 USC 157(a)(1) specifies that applications for SIR's are to be examined for compliance with 35 USC 112, and it might be argued that that form of abbreviated examination might insure that SIR's will not be published with unduly broad claims. However, as Judge Rich wrote of an argument that extremely broad claims were invalid under the second paragraph of 35 USC 112 because "indefinite":

appellants have persuaded us that their claims are just as definite as a claim for "all compounds containing sulfur," a claim which might not be in compliance with the first paragraph of 35 USC 112, depending upon the disclosure contained in the specification, and which would certainly be too broad in the sense of 35 USC 103, but which would be fully in compliance with the second paragraph of section 112, assuming the applicant regarded his invention to consist of "all compounds containing sulfur."

*In re Barr*, 444 F.2d 588, 592, 170 USPQ 330, 334 (CCPA 1971). Thus, at least the second paragraph of 35 USC 112, and probably the first paragraph as well, is not likely to provide a significant limitation on the ability of applicants for SIR's to obtain publication of claims that read on a great deal of subject matter that is unpatentable over the prior art.

<sup>4</sup> An obvious possible limitation on the significance of the impact of 35 USC 157 on interference practice is the possibility that SIR's will be little used. If, as the PTO's initial experience with 35 USC 157 suggests, few applications for SIR's are filed, then the impact of 35 USC 157 on interference practice will also be small. However, it would be possible for a small number of SIR's with very broad claims to have a disproportionate effect.

<sup>5</sup> Freed, "Some Thoughts on the New Interference Practice."

<sup>6</sup> 35 USC 157(c).

<sup>7</sup> Although 37 CFR 1.601(i) indicates that interferences should be instituted only when the conflicting claims are "for the same patentable invention," Mr. Freed's

in SIR's and applications for SIR's are likely to be very broad and in fact unpatentable over the prior art, examiners may often be faced with situations where one or more claims in a patent application conflict either with one or more claims in a pending application for a SIR or with one or more claims in a SIR. If the examiners are constrained to presume that all such claims in SIR's are patentable over the prior art, they will be faced with situations in which they would initiate an application-patent interference if the claim or claims in question were in a patent rather than in a SIR, but in which the policy reason for doing so in the analogous situation involving a patent is absent.<sup>8</sup>

The situation with respect to applications for SIR's is less threatening. 37 CFR 1.603, "Interference between applications; subject matter of the interference," expressly states that, "[b]efore an interference is declared between two or more applications [one, both, or all of which could be applications for SIR's], the examiner must be of the opinion that there is interfering subject matter claimed in the application which is patentable to each applicant subject to a judgment in the interferences."<sup>9</sup> Similarly, 37 CFR 1.606, "Interference between an application and a patent, subject matter of the interference," expressly states that, "[b]efore an interference is declared between an application

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point is that examiners may be constrained to presume that the claims in SIR's are all valid (as they do for the claims in patents) without independently concluding that they are in fact valid.

<sup>8</sup> See 37 CFR 1.601(i), which states in relevant part that:

An interference may be declared between one or more pending applications and one or more unexpired patents [any one or all of which may be an unexpired SIR] naming different inventors when, in the opinion of an examiner, any application and any unexpired patent contain claims for the same patentable invention.

See also 37 CFR 1.606, which provides that, before an interference is declared between an application and an unexpired patent, an examiner must determine that the interfering subject matter "is patentable to the applicant subject to a judgment in the interference," but which does *not* require the examiner to determine that the interfering subject matter is patentable to the patentee subject to a judgment in the interference.

<sup>9</sup> See also 37 CFR 1.601(i), which states in relevant part that:

An interference may be declared between two or more pending applications [any one or all of which may be an application for a SIR] naming different inventors when, in the opinion of an examiner, the applications contain claims for the same patentable invention.

[which could be an application for a SIR] and an unexpired patent, an examiner must determine that there is interfering subject matter claimed in the application and the patent which is patentable to the applicant subject to a judgment in the interference." Thus, it is our view that the examiners are bound not to place an application for a SIR into an interference with either a patent or an application for a patent unless they are satisfied that there is interfering subject matter that is "patentable to . . . [the applicant for a SIR] subject to a judgment in the interference." If, however, the result of this reasoning in the case where the prospective opposing party is an applicant for a patent is only that the SIR is issued and that the application for a patent is then placed in a "patent"/applicant interference with the SIR, the problem has certainly not been resolved. Moreover, in the case where the prospective opposing party is a patentee, the result of this reasoning might be to subject the patentee to the still more unsettling prospect of a "patent"/patent interference in a district court under 35 USC 291.

A partial solution to this problem was expressed by R. Franklin Burnett, Special Assistant to the Assistant Commissioner for Patents, at the Bureau of National Affairs Ninth Annual Patent Conference on September 19, 1985. According to Mr. Burnett, it is the current policy of the Office not to initiate interferences involving either SIR's or applications for SIR's. However, this policy does not avoid the problem where it is the owner of a SIR, an application for a SIR, or an application to reissue a SIR (with claims copied from a patent)<sup>10</sup> that seeks to initiate an interference. Moreover, the policy stated by Mr. Burnett is not set forth in either the Code of Federal Regulations or the Manual of Patent Examining Procedure, and it could therefore be modified or abandoned entirely rather easily.

Of course, if the owner of a SIR or an application for a SIR causes an interference to be declared with either a patent or a patent application, and if the SIR or the application for a SIR has a claim corresponding to the count that

<sup>10</sup> Mr. Burnett stated what appears to be the unassailable proposition that the owner of a SIR has the same right to file an application to reissue it that the owner of a patent has.

is too broad to be patentable over the prior art, the patentee or the patent applicant can move for judgment on that basis pursuant to 37 CFR 1.633(a) during the first round of preliminary motions. If the opponent of the patentee or the patent applicant is an applicant for a SIR, the applicant for a SIR can move to substitute a patentable narrower claim for its original overbroad claim pursuant to 37 CFR 1.633(c) during the second round of preliminary motions.<sup>11</sup> Similarly, if the opponent of the patentee or the patent applicant is the owner of a SIR, the owner of the SIR can file an application to reissue its SIR with one or more patentable narrower claims and a 37 CFR 1.633(h) motion to add the application for reissue to the interference<sup>12</sup> during the second round of preliminary motions.<sup>13</sup>

Thus, both the owners of patents or patent applications and the owners of SIR's or applications for SIR's involved in interferences have techniques available to them for, in effect, completing inter partes the examination and process of "cutting the claims down to size" that normally take place during ex parte examination prior to the institution of an interference. If the SIR or application for a SIR does have 35 USC 112, first paragraph, support for a patentable claim which interferes with a claim in a patent or a patent application with which the SIR or application for a SIR is put into interference, perhaps there is little to complain about—that is, perhaps the extra cost to the patentee or the patent applicant of completing during the course of the interference what ordinarily would be the ex parte examination of the application for the SIR is a reasonable cost to impose on the owner of the patent or the patent application in return

<sup>11</sup> 37 CFR 1.636(b) provides for a second round of preliminary motions in response to preliminary motions under 37 CFR 1.633(a), (b), (c)(1), or (g) filed during the first round of preliminary motions.

Of course, the owner of the application for a SIR would not have to wait for the second round of preliminary motions. It could instead file a 37 CFR 1.633(c) motion during the first round of preliminary motions.

<sup>12</sup> Such a strategy would not "save" the original SIR, *Van Dorn v. Butzow*, 200 USPQ 191 (PTOBPI 1975), but of course the owner of SIR is not interested in the "validity" of the claims in its SIR in the usual sense in any event.

<sup>13</sup> Again, the owner of the SIR would not have to wait for the second round of preliminary motions, but could take the same step during the first round of preliminary motions.

for the benefits reaped by society as a whole and/or the owners of SIR's and applications for SIR's from the existence of the SIR program.<sup>14</sup> However, if the SIR or application for SIR does *not* have 35 USC 112, first paragraph, support for a patentable claim which interferes with a claim in a patent or patent application with which the SIR or application for SIR is put into interference, then it must be recognized that society has placed a very significant burden on the patentee or the applicant for patent that is normally borne by society as a whole. While, given the facts of this hypothesis, the patentee or the applicant for a patent will win the interference, it will only do so at considerable expense. Moreover, it is predictable that, in some instances, the patentee or patent applicant will choose not to assume this economic burden and that the owner of the SIR or application for SIR will accordingly win an interference which, in an abstract sense, the patentee or patent applicant "should" have won.

### III. WILL SIR'S BE TREATED AS REFERENCES UNDER 35 USC 135(B)?

Another potential source of unfortunate consequences is the interplay between 35 USC 157(c) and 35 USC 135(b), which provides that:

A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an issued patent [which, under 35 USC 157(c), includes a claim of a SIR] may not be made in any application unless such a claim is made prior to one year from the date on which the patent was granted.

Since many claims in SIR's are likely to be very broad, examiners are also likely to be often faced with situations where one or more claims in a patent application is or are for subject matter wholly or partially encompassed by a claim in a SIR. Of course, under the CCPA's infamous

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<sup>14</sup> The owners of patents and patent applications involved in interferences with SIR's or applications for SIR's may, of course, not agree with the statement in the text. They may well ask why they have to pay a price (often a very significant price) not paid by the owners of patents and applications for patents involved in interferences with other patents or applications for patents.

decision in *In re Sasse*,<sup>15</sup> the examiner will not be able to reject the claims in the patent application under 35 USC 135(b).<sup>16</sup> However, again assuming that the claims in the SIR are to be presumed valid, this situation seems made to order for an interference on what used to be called a modified count.<sup>17</sup>

Of course, if the examiner *does* set up an interference between a broad claim in a SIR and a narrower claim in a pending application that was presented more than a year after the SIR issued, and if the owner of the SIR has the gall to file a 37 CFR 1.633(a) motion for judgment on the basis that the claim is not patentable to the applicant under 35 USC 135(b), that motion should be denied if the applicant's claim corresponding to the count is patentable over the prior art and the SIR's claim corresponding to the count is not. That is, if the claim in the application is patentable over the prior art and the claim in the SIR is not, the two claims are not "for the same or substantially the same subject matter" within the meaning of 35 USC 135(b), and the two claims are not drawn to "the same patentable invention" within the meaning of 37 CFR 1.601(m). However, once again the applicant will have been put to a substantial expense that is normally borne by society as a whole.

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<sup>15</sup> 629 F.2d 675, 207 USPQ 107 (CCPA 1980) (Rich, J.). *Sasse* is criticized vehemently in, e.g., Comment, 63 JPOS 288 (1981); *U.S.C.C.P.A. Current Awareness* (Patent Resources Group, Inc. 1982), in the chapter entitled "Interferences" beginning at page 13; and 4 Pat. L. Persp. (2d ed.) §11.8 n. 34.2 and accompanying text.

<sup>16</sup> However, the pre-interference ex parte prosecution recounted as background in *Parks v. Fine*, \_\_\_\_\_ F.2d \_\_\_\_\_, 227 USPQ 432 (Fed. Cir. 1985), suggests that the PTO may be ignoring *In re Sasse*.

<sup>17</sup> 37 CFR 1.601(f) provides in relevant part that:

A claim of . . . [an] application which is not identical to count, but which defines the same patentable invention as the count, is said to "correspond substantially" to the count.

Where the claim in the SIR wholly encompasses the claim in the patent application, the count would correspond identically to the claim in the SIR. Where the claim in the SIR partly encompasses the claim in the patent application, the count would be a phantom count equal to the Boolean sum of the claim in the SIR and the claim in the patent application.

IV. CAN THE OFFICE REFUSE TO ACCEPT 37 CFR 1.131  
DECLARATIONS ANTEDATING SIR'S WHEN THE SIR'S ARE  
USED AS §102(E) REFERENCES IN REEXAMINATION  
PROCEEDINGS?

SIR's could also have a significant effect on the interrelationship between reexamination and interference practice. Currently the Office will not allow a patentee in reexamination to swear behind a 35 USC 102(e) reference (i.e., a U.S. patent with an earlier filing date) if the reference patent claims the "same invention" as the patent being reexamined. Although a proposed rule that would have expressly set forth the Office's position was never promulgated because of strong opposition at the hearing announcing it,<sup>18</sup> the Office still adheres to this position.<sup>19</sup> Thus, a patentee faced with this situation during a reexamination proceeding can preserve its rejected claim(s) only by filing an application for reissue and provoking an interference with the reference patent. However, a SIR is a "patent" for 35 USC 102(e) purposes. Thus, patentees may be forced into provoking interferences with SIR's in such situations.

This could result in a significant and unfair burden upon a patentee faced with such a situation. The SIR might not contain adequate description to provide 35 USC 112 support for a patentable claim—or, even if it did, the owner of the SIR might have no interest in presenting a patentable claim.<sup>20</sup> However, this will not be determined until after the patentee has been put to the significant burdens of filing and prosecuting to allowance a reissue application<sup>21</sup> and taking the appropriate preliminary steps in an interference—including the investigation necessary to prepare a preliminary statement alleging the earliest dates likely to be susceptible of

18 48 Federal Register 2701, 1027 O.G. 9 and Notice 50, 1038 TMOG 76 at 81.  
19 MPEP 2266.

20 For instance, the SIR claim may encompass the same invention as a valid claim in the patent but be so broadly drawn as to encompass unpatentable subject matter as well.

21 The Office can and does raise issues in reissue that are unreachable by reexamination, so the patentee may well face additional rejections after it has filed its reissue that were not raised during the reexamination proceeding.



proof and, of course, filing a 37 CFR 1.633(a) motion attacking the patentability of the involved SIR claim(s).

Presumably part of this problem would be cured by refusing to declare an interference involving unpatentable SIR claims. Logically, this refusal would provide the basis for either allowing the reissue application to issue or terminating the reexamination favorably to the patentee with abandonment of the reissue application (particularly if there is no "error" to justify a reissue).<sup>22</sup> However, even under this scenario, the patentee would still have to file and prosecute a reissue application.

The simple solution to this problem is not to apply MPEP 2266 to situations in which the 35 USC 102(e) reference is a SIR. In the first place, the procedure is of dubious legality.<sup>23</sup> Moreover, if the owner of the SIR has a genuine interest in preserving its freedom to operate within the scope of the claims of the patent being reexamined, it can file for reissue and provoke an interference.

Another less desirable but nonetheless intriguing possibility is to provide for the reexamination of SIR's. There is statutory basis for such a procedure because the ability to be subjected to reexamination is not excluded from the attributes of a SIR by 35 USC 157(c). The current regulations apparently preclude the reexamination of SIR's by limiting the procedure in 37 CFR 1.510(a) to "the period of enforceability of a patent." A SIR by definition has no such period.

22 A very interesting question is whether a reexamination patentee could file for reissue solely to provoke an interference with a SIR as to claims already present in the patent. Since the repeal of the "Dann Amendments" (37 CFR 1.175(a)(4) in particular), the Office's position has generally been that failure to consider relevant prior art was not an "error" justifying a reissue application under 35 USC 251. However, that stricture can be easily circumvented by filing a so-called "Altenpohl" reissue under the pre-Dann Amendments policy enunciated in *In re Altenpohl*, 500 F.2d 1151, 183 USPQ 38 (CCPA 1974). See, e.g., Judge Miller's concurring opinion in *In re Bose*, 687 F.2d 432, 435 n. 12, 215 USPQ 1, 3 n. 12 (CCPA 1982), which states that *Altenpohl* reissues are once again available to deal with this problem.

23 While 35 USC 135(a) may provide statutory authority for the Office's position of rejecting evidence of prior inventorship when an application for a patent claiming the same invention as the reference patent or SIR is involved, the logic is not extendable to a patent in reexamination. The Office has no authority to declare interferences between patents, and it thus has no authority for refusing probative ex parte evidence of prior inventorship over a 35 USC 102(e) reference in reexamination regardless of what the reference claims.

However, such a procedure might well be more attractive to a reexamination patentee than pursuing a reissue application. Such a procedure might also be attractive to applicants for regular patents if the suggestions offered herein on the declaration of interferences are not adopted. Such applicants might well want the questions of whether a SIR contains support for patentable interfering claims and whether the SIR owner is inclined to present such claims if they do not already exist answered before undertaking what is often a very significant burden in investigating the earliest supportable dates to be alleged in a preliminary statement.

#### V. PROPOSALS FOR AMENDMENTS TO THE RULES

In order to eliminate (or, at least, substantially reduce) the risk of the potential unfortunate consequences discussed above, we recommend that the rules be amended in three respects.

First, in order to insure that applications for SIR's will not be placed into interferences unless an examiner is satisfied that the interfering subject matter is "patentable to . . . [the applicant for a SIR] subject to a judgment in the interference," we recommend that the first sentences of 37 CFR 1.603 and 37 CFR 1.606 be amended as follows:

Before an interference is declared between two or more applications (*including applications for statutory invention registrations*), the examiner must be of the opinion that there is interfering subject matter claimed in the applications which is patentable to each applicant subject to a judgment in the interference.

Before an interference is declared between an application (*including an application for a statutory invention registration*) and an unexpired patent, an examiner must determine that there is interfering subject matter claimed in the application and the patent which is patentable to the applicant subject to a judgment in the interference.

Second, in order to insure that SIR's are not placed into interference unless the examiner has been satisfied that the interfering subject matter is patentable to the owner of the SIR<sup>24</sup> subject to a judgment in the interference, we recom-

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<sup>24</sup> It should be noted that this proposal does *not* seek to impose upon owners of SIR's a burden not faced by patentees. Before a patent issues, the applicant has

mend that 37 CFR 1.606 be further amended by the insertion of a new second sentence as follows:

*Before an interference is declared between an application (including an application for a statutory invention registration) and an unexpired statutory invention registration, an examiner must determine that there is interfering subject matter claimed in the application and the statutory invention registration which is patentable both to the applicant and to the owner of the statutory invention registration subject to a judgment in the interference.*

and that the present fifth and sixth sentences be amended as follows:

All claims in the application [and], patent, or statutory invention registration which define the same patentable invention as a count shall be designated to correspond to the count. At the time an interference is initially declared (§ 1.611), a count shall not be narrower in scope than any [patent] claim in an involved patent or statutory invention registration which corresponds to the count [and any]. Any single [patent] claim in an involved patent or statutory invention registration will be presumed, subject to a motion under § 1.633(c), not to contain separate patentable inventions.

Third, in order to avoid forcing reexamination patentees to file unnecessary reissue applications to provoke interferences with disinterested owners of SIR's, we recommend that 37 CFR 1.131(a) be amended by an insertion in its first sentence as follows:

When any claim of an application or a patent under reexamination is rejected on a reference to a domestic patent which substantially shows or describes but does not claim a rejected invention, [or] on a reference to a foreign patent or to a printed publication, or on a reference to a statutory invention registration in a reexamination (whether or not the statutory invention registration claims the rejected invention), and the inventor. . . .

Authority for the proposed amendments to 37 CFR 1.606 and 37 CFR 1.131 may be found in 35 USC 135(a), which provides in relevant part that, "[w]henever an appli-

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satisfied an examiner that the subject matter later found to interfere is patentable to the applicant, who then becomes a patentee. Thus, this proposal seeks to impose upon owners of SIR's the same burden faced by patentees.

cation is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, an interference *may* be declared." (Emphasis supplied). The discretion inherent in the word "may" has, for instance, been exercised in 37 CFR 1.602(a), which provides that, "[u]nless good cause is shown, an interference shall not be declared or continued between (1) applications owned by a single party or (2) applications and an unexpired patent owned by a single party," and in the three month/six month rule of MPEP § 1101.01. Moreover, as stated in *Noxon v. Halpert*, 128 USPQ 481 (Comm'r Pats. 1953):

It is well settled that the fact that one of the parties to an interference is a patentee does not preclude a consideration of the question of non-patentability of a count of the interference, as a basis for dissolution, where that question is raised by a tribunal of the Patent Office. . . . "Neither law nor reason makes it necessary for this Office to waste time considering the question of priority as to an invention which it does not regard as patentable."<sup>25</sup>

This discretionary authority seems eminently applicable to the present problem, and an early exercise of that discretionary authority might avoid many vexing problems for the PTO as well as for the bar.

<sup>25</sup> 128 USPQ at 481. *Noxon v. Halpert* was the basis for the old suggestion practice. In situations where one could not move to dissolve out a patentee on the ground that the patentee's claim corresponding to the count was unpatentable, one could invite the examiner's attention to this fact and suggest that the examiner raise that question "sua sponte" pursuant to 37 CFR 1.237—i.e., that the examiner request dissolution of the interference.