

The Impact of the CREATE Act On Interferences¹

By Charles L. Gholz²

I. Introduction

The impact of the CREATE Act on ex parte prosecution is discussed in Kunin, “The CREATE Act (S.2192)--A Solution to the Secret Prior Art Problems Caused by the *OddzOn Products Inc.* Case,” 12 Intellectual Property Today No. ____ at page ____ (____ 2005) (in press). This article focuses on the impact of the CREATE Act on interferences involving issues of derivation or inventorship.

II. The CREATE Act

To take advantage of the CREATE Act, one’s specification must contain (either originally or by amendment) the names of the parties to a qualified joint research agreement. The joint research agreement must “be a written contract, grant or cooperative agreement entered into by two or more persons or entities for the performance of experimental, developmental, research work....” According to Mr. Kunin:

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The joint research agreements are not limited to those governed by the Bayh-Dole Act (35 U.S.C. §200 *et seq.*) The House Report 108-425 (2004) at pages 9-10 states that the joint research agreements are intended to cover governmental or private sector cooperative research agreements, developmental agreements, and other transactional agreements such as CRADA³ under 15 U.S.C. §3701(a) and DOD⁴ or NASA⁵ agreements under 10 U.S.C. §2371, 42 U.S.C. 2473.³

³ Cooperative Research and Development Agreement

⁴ Department of Defense

⁵ National Aeronautic and Space Administration

The Act provides that the “claimed invention must have been made as a result of activities undertaken within the scope of the joint research agreement.”

Of particular interest to interference practitioners is the following paragraph from Mr. Kunin’s article:

If the later claimed invention would have been an obvious variant of an earlier claimed application that is disqualified as prior art under the new §103(c)[,] the earlier claimed invention based on the collaborative activity nevertheless will raise an obviousness-type double

³ 12 Intellectual Property Today No. ____ at ____.

patenting issue according to the legislative history. See House Report 108-425 (2004) at page 6 that cites *In re Berg*, 140 F.3d 1428 (Fed. Cir. 1998); *In re Goodman*, 11 F.3d 1046, 1052 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887 (Fed. Cir. 1985) and *In re Van Ornum*, 686 F.2d 937 (CCPA 1982) as being applicable by analogy to the case where common ownership of the inventions obtains. To obviate such a situation[,] a terminal disclaimer must be filed. In a Federal Register Notice (70 Fed. Reg. 1818), dated January 11, 2005, the USPTO published an interim rule package that established new rules to implement the obviousness type double patenting and terminal disclaimer features of the CREATE Act.⁴

III. Applicability of the CREATE Act to Interferences

Many interferences involving derivation or inventorship issues stem from exactly the kind of situation covered by the CREATE Act. At T=0, two companies or a company and a university are working together to perform “experimental, developmental, research work....” At T=1, an invention is made. At T=2, one of the parties files a patent application on the invention. At T=3, the other one of the parties files a patent application on the same invention--i.e., that claims subject matter that is not patentably distinct from the subject matter claimed in the other party’s application. People being

⁴ 12 Intellectual Property Today No. ___ at ___; footnote (quoting the interim rule)

omitted.

what they are, the first-filed patent application names predominantly or exclusively individuals employed by the entity filing that application, and the second-filed patent application names predominantly or exclusively individuals employed by the entity filing that application. Never, in my experience, are the two lists of inventors identical!

Now, suppose that one or both of the two entities has a CREATE Act statement in its specification. What impact will that have in the interference--which, by hypothesis, will ultimately be declared because the two parties are claiming patentably indistinct subject matter?

In the first place, putting a CREATE Act statement in your specification is NOT an admission that anyone from the other entity is a joint inventor. All that a CREATE Act statement admits is that “the claimed invention was made as a result of activities undertaken within the scope of the joint research agreement.” It says nothing about which party to the agreement undertook those activities.

In the second place, however, if one is thinking about putting a CREATE Act statement into a specification, one should also think, long and deeply, about possible (1) inventorship issues and (b) ownership issues. If one gets one’s inventorship wrong, that can jeopardize the patentability of the claims in the application and any resulting patent⁵ and result in one’s client’s one-time friend having a licensable title interest in the

⁵ Pannu v. Iolab Corp., 155 F.3d 1344, 47 USPQ2d 1657 (Fed. Cir. 1998).

invention.⁶ As for ownership issues, they are related to but entirely separate from inventorship issues.⁷

Moreover, if one is in an interference with an adversary whose specification contains a CREATE Act statement, whether or not one represents the other party to the CREATE Act agreement, that should alert one to look into the questions of (1) whether one's opponent has its inventorship right and (2) whether one's client can buy or license an interest from an unnamed joint inventor or a company to which the unnamed joint inventor assigned his or her rights in the invention. That is, one should consider whether one can emulate U.S. Surgical's successful strategy in Ethicon, Inc. v. U.S. Surgical Corp., 135 F.3d 1456, 45 USPQ2d 1545 (Fed. Cir. 1998).

⁶ Ethicon, Inc. v. U.S. Surgical Corp., 135 F.3d 1456, 45 USPQ2d 1545 (Fed. Cir. 1998).

⁷ See Beech Aircraft Corp. v. EDO Corp., 990 F.2d 1237, 26 USPQ2d 1572 (Fed. Cir. 1993) (Rich, J.), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 76 JPTOS 649 (1994) at V.A., "There is a Difference Between Determining Which of Two Rival Company Claimants Owns an Invention and Determining Which of Two Rival 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."