THE TRIAL SECTION SHOULD HAVE AN ANALOG TO FRCP 50 (a)(1)[1]

By Charles L. Gholz[2]

Introduction

In Genise v. Desautels, 73 USPQ2d 1393 (PTOBPAI) 2004) (non-precedential) (opinion by APJ Lee for a panel that also consisted of SAPJ McKelvey and APJ Moore), both the junior party and the senior party had put on extensive (and, no doubt, expensive) priority cases. Moreover, according to their counsel, each party had cross-examined the other party's witnesses--also at great expense. Finally, counsel for both parties showed up at final hearing and argued both priority cases.

However, in its opinion, the trial section ruled that it did not have to consider the senior party's priority evidence because the junior party had not proved that any of its three alleged actual reductions to practice had been achieved using the way recited in the court, and the senior party was, therefore entitled to prevail on the basis of its filing date.

The panel's holding no doubt saved their Honors a great deal of work--at least in the short term. (Of course, if they are reversed on judicial review, they--or their

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successors--will ultimately have to decide the issues that they didn't decide the first time around.[3] But is this any way to run a railroad?

FRCP 50 (a)(1)

FRCP 50(a)(1) reads as follows:

> If during a trial by jury a party has been fully heard on an issue and there is no legally sufficient evidentiary basis for a reasonable jury to find for that party on that issue, the court may determine the issue against that party and may grant a motion for judgment as a matter of law against that party with respect to a claim or defense that cannot under the controlling law be maintained or defeated without a favorable finding on that issue.

This means that, at the end of the plaintiff's case, the defendant's counsel can argue that the plaintiff's case was so deficient that the court should enter judgment against it right then, without having to sit through the defendant's evidence. If the court agrees, the case is over--except for appellate review and the possibility of remand. If the court disagrees, the defendant goes ahead with its evidence. This procedure saves both parties a great

[3] See Gholz, In 35 USC 146 Actions, Should District Courts Decide Issues That Were Not Reached by the Board?, 10 Intellectual Property Today No. 10 at page 42 (2003), and Goliath Hundertzehrte V. mbH v. Yeda Research & Development Co., ____ F. Supp. 2d _____, 68 USPQ2d 1703 (D.C.D.C. 2003), adopting the position that I advocated in my article--namely, that they shouldn't.

deal of money in those cases in which the court does enter judgment immediately--although not as much money as would be the case in at least some interferences because the defendant has to have its case prepared and ready to go on immediately if the court denies its motion.

Tannas v. Watson

In Tannas v. Watson, 73 USPQ2d 2021 (PTOBPAI 2004) (non-precedential) (opinion by APJ Medley, not joined by any other APJ), Watson had tried to get Judge Medley to authorize the equivalent of an FRCP 50(a)(1) motion.

Clearly, in the context of interference practice, there are cons as well as pros to the filing of such a motion, and Judge Medley ticked them off:

> the filing of a miscellaneous motion would require time to file the miscellaneous motion, opposition and reply, and time to cross examine any witnesses the parties rely upon. The board would then need to decide the miscellaneous motion. All the while, the times for taking action in the priority phase would have to be shifted back. Alternatively, if the times for taking action during the priority phase were not pushed back, then the priority phase would proceed as usual, which could conceivably increase the cost and time to the parties and the board. While the APJ appreciates Watson's attempts to save time and cost for all involved, the ultimate results may not result in

saving time and cost, especially if the priority phase time periods are adhered to.

Furthermore, as discussed, if Watson is authorized to file the miscellaneous motion as requested, and the motion is ultimately denied, then Watson would in essence get two bites of the apple. Through its miscellaneous motion, Watson would in essence oppose Tannas' priority case, at least with respect to Tannas' showing of diligence, and then, having the advantage of the board's decision denying the miscellaneous motion, Watson would have another opportunity to oppose Tannas' brief during the normal course of the priority phase, all to the detriment of Tannas. Normally, a party gets one opportunity to oppose an opposing parties' brief, not two.

Lastly, Watson is not without recourse. Watson will have ample opportunity to oppose Tannas' priority brief and make the argument that Tannas has failed to show diligence. To the extent that Watson seeks to limit cost and time, Watson may elect not to file a priority brief as they are the senior party. Furthermore, Watson may elect to oppose Tannas' briefs based on the merits without cross examining Tannas' witnesses.

> For these reasons, Watson's request to file a miscellaneous motion for judgment on the basis that Tannas' showing of diligence is insufficient to establish prior invention is *denied*.[4]

How an Interference Analog to FRCP 50(a)(1) Might Work

The Trial Section's response to my proposal thus far would likely be that it would just make more work for them, raise the average pendency time of interferences, and raise the cost to taxpayers of running the Trial Section. However, the assumption underlying such objections is that "everybody would do it"--as, indeed, is pretty much the case in district courts. In my opinion, none of those horrors need come to pass.

The key is to charge a fee for filing such a motion that is (1) high enough to make senior parties think long and hard before filing them and (2) high enough to enable the Trial Section to handle such motions at a profit, but (3) low enough so that it would cost senior parties less to file such motions than to finish preparing their priority cases (I assume, of course, that all prudent senior parties will have their priority cases pretty much, if not completely, put together by this point in an interference) and to put on their priority cases. My guess is that the fee should be in the $25,000 range--but I would not be shocked to learn that the Trial Section thinks that it should be in the $50,000 range.

In addition, the APJ in charge of each interference could set an aggressive (but not impossible!) briefing schedule, followed by a panel hearing shortly after the senior party's reply came in.

[4] 73 USPQ2d at 2022.

My Rosy Predictions for the Future

If the Trial Section were to adopt my proposal, I predict:

> (1) That the APJs might actually have less work to do--due to the fact that they could enter final judgment on priority at the conclusion of the junior party's case in a significant percentage of all interferences;
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> (2) That the average pendency time of interferences might actually go down (slightly), since there would be no need for the senior party to put on its priority case in a significant percentage of all interferences; and
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> (3) That, best of all (from the PTO's perspective), the fees collected from senior parties filing such motions would not be insignificant.

Moreover, I strongly suspect that Genise v. Desautels would have cost both real parties in interest significantly less to litigate if my proposed procedure had been in place.