

A CRITIQUE OF RECENT OPINIONS
IN PATENT INTERFERENCES¹

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I. INTRODUCTION

This article covers precedential and interesting non-precedential opinions relating to interferences published since those discussed in my previous article at 88 JPTOS 271, 305 (2006),³ which covered volume 73-76 of the USPQ2d.⁴

II. CONCEPTION

Nothing interesting this year.

III. CLASSICAL DILIGENCE

Nothing interesting this year.

IV. ACTUAL REDUCTION TO PRACTICE

A. You've Got to Explain Your Evidence

Stampa v. Jackson

In Stampa v. Jackson, 77 USPQ2d 1105 (PTOBPAI 2005) (non-precedential) (opinion by APJ Lorin for a panel also consisting of SAPJ McKelvey and APJ Schafer), Stampa's brief appears to have dumped a great deal of evidence on the APJs (some of it in untranslated Catalan!) without adequately explaining what it all meant or how it related to either count. Not good enough, according to the panel:

Stampa's brief does not explain the May 7 experiment.

³See also 88 JPTOS 25, 138 (2006) (covering 2004), 86 JPTOS 464 (2004), 85 JPTOS 401 (2003), 84 JPTOS 163 (2002), 83 JPTOS 161 (2001), 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).

⁴The fact that I publish this review every year in a similar format accounts for the sections which read in their entirety "Nothing interesting this year."

What was entailed in performing the experiment is not discussed. The steps involved in the process are not mentioned. Stampa states that Lola Casas successfully carried out a trial of the process on May 7, but what she did to successfully carry out the trial is not explained. Nothing is said about the experiment itself or what Lola Casas did. No amounts, ingredients, temperatures, times, etc. are discussed. The steps she took are not discussed. We simply do not know what happened on May 7, 1996.

Because we are not told what happened on May 7, 1996, we have no way of knowing whether the May 7 experiment meets the elements of the counts.⁵

As far as the exhibits are concerned, they, too, are not analyzed. Given that they are listed at the end of the statements, presumably they are relevant to what is alleged in the statements. But we are given no further guidance. It is left to us to go through the exhibits and figure out where and if they disclose what Stampa says they disclose.⁶

Coupled with the fact that Stampa has failed to explain what

⁵ 77 USQP2d at 1118-19.

⁶ 77 USPQ2d at 1119.

happened during the alleged May 7 experiment, the citing of numerous exhibits[,] without discussion, amounts to an invitation for the Board to pour over the evidence to discover relevant information to support Stampa's legal theory. We decline the invitation.⁷

Comment

It's more work to explain one's case, but it's all billable.

V. SUPPRESSION OR CONCEALMENT AND PEELER DILIGENCE

A. The Prima Facie Case

1. Taking a Reasonable Time to Introduce a New Product or to File a Patent Application On It Does Not Constitute Intentional Suppression

Flex-Rest, LLC v. Steelcase, Inc.

In Flex-Rest, LLC v. Steelcase, Inc., 455 F.3d 1351, 80 USPQ2d 1620 (Fed. Cir. 2006) (opinion by CJ Linn for a panel that also consisted of CJs Bryson and Prost), Flex-Rest argued that Steelcase had intentionally suppressed a 35 USC 102(g) reference device during the period between its actual reduction to practice and its commercial introduction of that device and/or the filing of a patent application on that device. Not so, said the court:

The record demonstrated that[,] after reduction to practice, Steelcase moved almost immediately towards both filing a patent application and commercially disclosing the KBS device at a trade show, actions which indicate an intent to make a public disclosure. Both the patent application and commercialization efforts came to fruition about six and one-half months later. That the device was kept

⁷ 77 USPQ2d at 1119.

secret during this time is not, by itself, indicative of intentional suppression or concealment. See E.I. Du Pont de Nemours & Co v. Phillips Petroleum Co., 849 F.2d 1430, 1436 n.5 (Fed. Cir. 1988) (“Because work is ‘secret’ does not necessarily mean that it has been ‘abandoned, suppressed, or concealed.’”)⁸

Comment

Steelcase was certainly intentionally concealing the invention during the period in question. However, the length of that period was commercially reasonable.

B. Evidence to Rebut the Prima Facie Case

Nothing interesting this year.

VI. CONSTRUCTIVE REDUCTION TO PRACTICE

Nothing interesting this year.

VII. DERIVATION

A. Perhaps the Board Has Jurisdiction to Order a Change of Inventorship in an Opponent’s Case in Order to Solve a Derivation Problem

Scripps Research Institute v. Nemerson

Many cases of cross-allegations of derivation can be solved by agreeing that, on second thought, one or more of the inventors named in each party’s case in interference was a joint inventor with one or more of the inventors named in the other party’s case in interference. If the

⁸ 455 F.3d at 1359, 80 USPQ2d at 1624-25.

parties agree, and if the APJ can be persuaded that that is what actually happened,⁹ that can make such cases go away to the satisfaction of all concerned. However, even if the facts and the law indicate that the set of all of the named inventors or some subset of them really were joint inventors, for various business reasons one of the real parties in interest may refuse to settle on that basis. See Gholz, The Board Should Have 35 USC 256 Jurisdiction, 13 Intellectual Property Today No. 6 at page 10 (2006).

Scripps Research Institute v. Nemerson, 78 USPQ2d 1019 (PTOBPAI 2005)(non-precedential)(opinion by APJ Torczon for a panel that also consisted of APJs Medley and Poteate), suggests a possible solution to the problem. Nemerson had filed a motion asserting that Scripps's claims were unpatentable under 35 USC 116¹⁰ for failure to name Dr. Nemerson as a co-inventor. What makes this case interesting here is that:

Nemerson request[ed] ... in the alternative that Dr.

Nemerson be added as a joint inventor to ... [Scripps's] patent [in interference].¹¹

On the merits, the panel found that Dr. Nemerson wasn't a co-inventor. However, in a footnote it said that:

⁹ Since such a solution can reek of being a "business solution" not merited by the actual facts and the law, the APJ may need substantial persuading.

¹⁰ The panel pointed out that "The basis for holding the claim unpatentable [on this ground is actually] ... found in 35 USC 102(f)," 87 USPQ2d at 1043 n.22, but it apparently attached no importance to Nemerson's citation of the wrong statute.

¹¹ 78 USPQ2d at 1043; footnote omitted.

Under the old rules, this [i.e., Nemerson's alternative request] should have been a separate motion under 37 C.F.R. § 1.634. [However,] Given the disposition on the merits, the mistake is moot.¹²

Comment

37 CFR 1.634 read as follows:

A party may file a motion to (a) amend its application involved in an interference to correct inventorship as provided by § 1.48 or (b) correct inventorship of its patent involved in an interference as provided in § 1.324. See § 1.637(a). [Emphasis supplied.]

That clearly doesn't purport to give one party the authority to change the inventorship named in the other party's case in interference. Moreover, even if a rule did authorize a party to file such a motion, where would the board get statutory authorization to grant it?

VIII. THE 35 USC 135(b) BARS

A. 35 USC 135(b) Issues Are Decided on a Claim-by-Claim Basis

Scripps Research Institute v. Genentech Inc.

35 USC 135(b) issues, like almost every other patentability issue, are decided on a claim-by-claim basis--and a dependent claim can survive 35 USC 135(b) scrutiny even if the claim(s) from which it depends cannot. This point is made very clearly in the following passages from

¹² 78 USPQ2d at 1043 n.23.

Scripps Research Institute v. Genentech Inc., 77 USPQ2d 1809 (PTOBPAI 2005) (non-precedential) (opinion by APJ Torczon for a panel that also consisted of APJs Medley and Poteate):

We agree with Genentech that Scripps has not argued the basis for unpatentability [under 35 USC 135(b)(1)] with specificity for each claim. Scripps focuses on the four independent claims on the theory that the added or substituted language infects all of the dependent claims equally. The premise is false as this case shows. Scripps argues that the unamended claims were too broad to be substantially the same as its invention. Proper dependent claims, however, should be narrower than the independent claims. Hence, a dependent claim might be the basis for overcoming the §135(b)(1) bar.¹³

Since claims 5 and 20 satisfy the safe-harbor provision of §135(b)(1), and the movant (and the opponent for that matter) did not argue the other claims with specificity, we will not attempt to divine whether the other claims should be held unpatentable.⁴ Scripps preliminary motion 1 is DENIED.

⁴The failure to brief the other claims fully leaves open the question of whether, given the difference between the

¹³ 77 USPQ2d at 1813.

anticipation/obviousness test for correspondence of claims to a count and the materiality test for the §135(b)(1) bar, §135(b)(1) is moot for obvious variants of a claim falling within the safe harbor.¹⁴

Comment

Why should Genentech have argued the patentability of its dependent claims under 35 USC 135(b)(1) if Scripps didn't? Anything it said about that potential patentability issue could only have been used against it.

B. Post-Bar Date Claims Must Be “Supported” by Pre-Bar Date Claims

The Regents of the University of California v. University of Iowa Research Foundation

There's been a sea change in 35 USC 135(b) law. In the old days, if a client contacted you on the bar date, you could file an amendment copying at least one of the claims from the target patent verbatim, thereby tolling 35 USC 135(b) (or its predecessor, R.S. 4903), and figure out what claims you actually had support for later. See In re Frey, 182 F.2d 184, 86 USPQ 99 (CCPA 1950), and Thompson v. Hamilton, 152 F.2d 994, 68 USPQ 161 (CCPA 1946), synopsized (and allegedly distinguished) by the court in Regents of the University of California v. University of Iowa Research Foundation, 455 F.3d 1371, 79 USPQ2d 1687 (Fed. Cir. 2006) (opinion delivered by CJ Rader for a panel that also consisted of CJs Bryson and Linn) as follows:

Without any detailed statutory analysis, Frey stated broadly: “[A]n applicant for patent—if he had claims within the critical period to

¹⁴ 77 USPQ2d at 1814.

the same or substantially the same subject matter as appears in a patent . . . is not barred from copying claims from the patent [after the critical date.]” 182 F.2d at 185. As is apparent from that quote, Frey dealt with the situation where the applicant added claims copied from a patent. Thus, the claims added after the critical date in Frey were to the same subject matter as the claims in the earlier issued patent. Likewise, in Thompson, the issue confronting the court was the difference between “the counts” and the pre-critical date claims. 152 F.2d at 997. As in Frey, the claims at issue in Thompson were copied from the patent. See id. at 995. Thus, because both cases included post-critical date claims that were the same as the patented claims, neither opinion is relevant to the distinction between comparing pre- and post-critical date claims with one another and comparing pre-critical date claims with the patented claims.¹⁵

No more. In Regents, the court apparently completed the work begun in In re Berger,¹⁶ 279 F.2d 975, 61 USPQ2d 1523 (Fed. Cir. 2002), discussed in Gholz, A Critique of Recent Opinions in Patent Interferences, 85 JPTOS 403 (2003) at VIII.A, and Berman v. Housey, 291 F.3d 1345, 63 USPQ2d 1023 (Fed. Cir. 2003), discussed *ibid* at VIII.B. Specifically, it reaffirmed its holding in In re Berger that the “substantially the same” prong of 35 USC 135(b) is

¹⁵ 455 F.3d at 1375, 79 USPQ2d at 1690.

¹⁶ The reason for the “apparently” in the text is explained in my comment at the end of this write-up.

not measured by obviousness, and it specifically rejected the tolling interpretation of 35 USC 135 (b):

California argues that when it filed claims 202-204 within a year of the issuance of the '646 patent, it “discharged” its duty under section 135(b)(1). According to California, having already filed claims that satisfied section 135(b)(1), that section no longer bars any subsequent claim filed in the '191 application. Thus, California asserts that the proper 135(b)(1) test requires the Board to confine its analysis to pre-critical date claims, where the “critical date” is the date one year after the issuance of the patent relevant to the section 135(b)(1) analysis. Because California’s proposed interpretation of section 135(b)(1) contravenes this court’s precedent, the plain meaning of the statute, and the policy underlying that section, this court rejects those contentions.¹⁷

Moreover, in an extremely strange use of the word “support,” the court said that “a party confronted with a section 135(b)(1) bar [or, presumably, a 35 USC 135(b)(2) bar] [can overcome that bar by] show[ing] that claims filed after the critical date find support in claims filed before the critical date.”¹⁸

Comments

(1) Despite the court’s distinction of In re Frey and Thompson v. Hamilton on the

¹⁷ 455 F.3d at 1374, 79 USPQ2d at 1689.

¹⁸ 455 F.3d at 1374, 79 USPQ2d at 1689.

grounds that “both cases included post-critical date claims that were the same as the patented claims...,”¹⁹ I think that it would be imprudent to argue that this opinion does not apply if one or more of one’s post-critical date claims is or are identical to one or more claims in the target patent.

(2) Regrettably, because UC “d[id] not contest the Board’s finding of material differences between claim 205 and claims 202-204,”²⁰ this opinion provides no further guidance as to how that crucial language should now be interpreted.²¹ Thus, every time one amends a claim after the critical date in order to provoke an interference, one should anticipate a 35 USC 135(b) challenge.

IX. CORROBORATION

A. You’ve Got to Put On the Lab Tech--Or Explain Her Absence

Stampa v. Jackson

In Stampa v. Jackson, 77 USPQ2d 1105 (PTOBPAI 2005) (non-precedential) (opinion by APJ Lorin for a panel also consisting of SAPJ McKelvey and APJ Schafer), Stampa attempted to corroborate its alleged actual reduction to practice with the testimony of its named inventors and a declaration by its attorney clearly based only on information received from the named inventors. That proved fatal. Stampa’s best evidence came from co-inventor Rodriguez:

¹⁹ 455 F.3d at 1375, 79 USPQ2d at 1690.

²⁰ 455 F.3d at 1373, 79 USPQ2d at 1689.

²¹ As to how it used to be interpreted, see Christoffersen, Late Copying of Patent Claims, 48 JPOS 100 (1966), particularly his discussion of Rieser v. Williams, 255 F.2d 419, 118 USPQ 96 (CCPA 1958), and Stalego v. Heymes, 263 F.2d 334, 120 USPQ 473 (CCPA 1959), at pages 114-15.

Rodriguez has declared (Exhibit 2024) that Lola Casas, as her assistant, conducted the LTD-L6 trial on May 7, 1996 and recorded it in the lab notebook pages of Exhibit 2035. This appears to be the only evidence mentioning Lola Casas and connecting her to the May 7 experiment. However, Rodriguez is an inventor. Her statements are considered self-serving unless there is independent evidence to corroborate the statements.²²

Glaringly absent from Stampa's proof was a declaration by Ms. Casas:

The best evidence of corroboration would have been the testimony of Lola Casas, a non-inventor, and apparently the person who conducted LTD-L6, the sole experiment relied upon to show [that] an invention of the counts was actually reduced to practice on May 7, 1996. Accordingly, her testimony would have been highly probative in establishing that the experiment said to have been conducted by Casas on May 7, 1996 on behalf of Rodriguez was in fact conducted on May 7, 1996 and [that] it is the experiment said to be recorded in the lab notebook pages of Exhibit 2035. In fact, given that Lola Casas is said to have performed the LTD-L6 trial, she is in the best position to explain the May 7 experiments as well as the contents of the lab notebook pages of Exhibit 2035 said to be a record of her activities related to

²² 77 USPQ2d at 1119; footnote omitted.

the May experiment. Her explanation would have been helpful in determining whether the trial LTD-L6 met all the elements of the counts. Lola Casas' testimony would have been crucial in corroborating inventors' testimony that a process meeting the counts was performed on May 7, 1996. However, Lola Casas did not testify.²³

Comments

Perhaps the absence of testimony from Ms. Casas could have been explained. Perhaps she was dead, insane, hostile, or disappeared.²⁴ However, Stampa apparently made no attempt to explain her absence.

The APJs have a tremendous amount of discretion under the "rule of reason". Perhaps if Stampa had adequately explained Ms. Casas's absence, the panel would have "cut it a break." After all, that's what the Federal District judge did in the parallel 35 USC 291 interference.²⁵ However, the unexplained absence of her testimony apparently too strongly suggested that the

²³ 77 USPQ2d at 1120. See also Gholz, A Critique of Recent Opinions in Patent Interferences," 86 JPTOS 464 (2004) at § X.D., "Failure to Call an Available Corroborating Witness Can Lead to Suppression of the Corroborating Witness's Records."

²⁴ According to the Federal Circuit's opinion in the parallel 35 USC 291 action (discussed next), she was at least a "former employee." 437 F.3d at 1172, 77 USPQ2d at 1875.

²⁵ See Section XIV.A.

statements of the named inventors were in fact “self-serving” and untrustworthy.²⁶

Medichem, S.A. v. Rolabo, S.L.

The Federal Circuit reached the same conclusion in the parallel 35 USC 291 action. Medichem, S.A. v. Rolabo, S.L., 437 F.3d 1157, 77 USPQ2d 1865 (Fed. Cir. 2006) (opinion by C.J. Gajarsa for a panel that also consisted of CJ’s Schall and Dyk). However, it gave more weight to the inventors’ own documents:

The requirement of independent knowledge remains key to the corroboration inquiry. See Reese v. Hurst, 661 F.2d 1222, 1225 (CCPA 1981) (“[A]doption of the ‘rule of reason’ has not altered the requirement that evidence of corroboration must not depend solely on the inventor himself.”). “Independent corroboration may consist of testimony of a witness, other than the inventor, to the actual reduction to practice or it may consist of evidence of surrounding facts and circumstances independent of information received from the inventor.” Id. One consequence of the independence requirement is that testimony of one co-inventor cannot be used to help corroborate the testimony of another. See,

²⁶ Although not relied upon by the panel, I’m sure that it did not help Stampa that Stampa’s assignee had been caught submitting “a fraudulently back-dated document” during the parallel 35 USC 291 action. 77 USPQ2d at 1121 n. 16. The Federal Circuit also pointedly noted this fact, saying that “the district court found that the credibility of the Medichem inventors was accordingly diminished.” 437 F.3d at 1173, 77 USPQ2d at 1876.

e.g. Lacks Indus. v. McKechnie Vehicle Components USA, Inc., 322 F.3d 1335, 1350 (Fed. Cir. 2003) (opining that the Special Master rightly refused to accept cross-corroboration of oral testimony as being adequate).²⁷

As far as the corroborative value of the inventors' notebooks is concerned, they were not witnessed, and they do not provide an "independent" source of authority on the issue of reduction to practice. Hence, they have minimum corroborative value.²⁸

Comment

I don't see why the inventor's own notebooks should be entitled to even "minimum corroborative value."

B. The Lab Tech's Records Do Not Have to Be Explained in Detail

Brown v. Barbacid

According to Section 24 of the September 13, 2004 Standing Order, "tests and data" should be explained "through affidavit testimony of a witness, preferably accompanied by citation to relevant pages of standard texts (which should be filed as exhibits)." But how detailed does the explanation have to be? According to Brown v. Barbacid, 436 F.3d 1376, 77 USPQ2d 1848 (Fed. Cir. 2006) (opinion by CJ Newman for a panel that also consisted of CJs Rader and Prost), not very.

²⁷ 437 F.3d at 1170-71, 77 USPQ2d at 1874.

²⁸ 437 F.3d at 1172, 77 USPQ2d at 1875-76.

Inventor Brown's alleged diligence was corroborated by the affidavit testimony of his lab tech, Debra Morgan. As summarized by the court:

Ms. Morgan declared that she was aware the Dr. Reiss "was working on...the development of an assay for screening of potential inhibitors of this [FT] enzyme," that she worked on the FT assay, and that she performed experiments designed by Dr. Reiss. Ms. Morgan stated that her work was to "screen various peptides for possible inhibitory effect on farnesyl transferase." She stated that the studies used a fiber-binding assay to format where "farnesyl transferase, ³H-Fpp, ras substrate and the candidate inhibitor peptide were incubated together," and that the methodology of the assay was that "when the radioactively labeled FPP is incorporated into the ras substrate, the radioactivity will associate with the fiber by virtue of the absorption of the ras thereto." Ms. Morgan described various farnesyl transferase inhibition studies with reference to the specific study numbers on the notebook pages, and the dates the work was done. She explained a comparative study, with reference to study number and date, in which "a biotin conjugated substrate is used rather than ras as a target for farnesylation," as well as a study in which farnesyl transferase reaction samples were prepared for analysis by thin layer chromatography. Her declaration was accompanied by copies of thirty-eight laboratory notebook pages. Each of the

thirty-eight notebook pages was associated with tests specified in her declaration.²⁹

The Board had:

refused to credit any of Ms. Morgan's evidence, criticizing what it described as the absence of explanation of the content and purpose of these experiments. The Board stated that it was not clear from the face of the notebook pages what Ms. Morgan had done and why,...

On appeal Brown argued that Ms. Morgan's:

notebook pages report the subject of her studies in scientific detail that would be readily understood by persons experienced in this field.³¹

and the court bought the argument!

Comment

Do not try this at home unless you can be sure that the opinion on appeal will be delivered by a judge who, like Judge Newman, has a Ph.D. in chemistry! (Apparently, the fact that the techies on the Board could not understand Ms. Morgan's notebook pages cut no ice with Judge Newman.) What Brown should have done was to put detailed, sentence-by-sentence explanations of what Ms. Morgan had done into her declaration and then explained the significance of what she had done in the declaration of an expert witness.

²⁹ 436 F.3d at 1380-81, 77 USPQ2d at 1851-52.

³⁰ 436 F.3d at 1381, 77 USPQ2d at 1852.

³¹ 436 F.3d at 1382, 77 USPQ2d at 1853.

C The Board Still Thinks That an Inventor’s Laboratory Notebook Requires Independent Corroboration

Nickles v. Montgomery

In my write-up of *Singh v. Brake*, 222 F. 3d 1362, 55 USPQ2d 1673 (Fed. Cir. 2000), in Gholz, A Critique of Recent Opinions in Patent Interferences, 83 JPTOS 161 (2001), in a section entitled “Corroboration of an Inventor’s Laboratory Notebook Apparently Does Not Require Independent Corroboration of the Dates Contained in the Notebook,” I concluded that:

there was apparently no evidence corroborating Singh’s assertions that he had made...[the critical] entries [in his laboratory notebook] when he said that he did or on any date prior to Brake’s filing date. Thus, the court apparently either overlooked or dispensed with the requirement that the *date* of the alleged conception documents be independently corroborated.³²

As I later noted in my write-up of the Federal Circuit’s opinion on Singh’s second appeal, the Federal Circuit’s second opinion left that question in doubt. Gholz, A Critique of Recent Opinions in Patent Interferences, 85 JPTOS 401, 414-15 (2003).

The board’s opinion in Nickles v. Montgomery, 78 USPQ2d 1410 (PTOBPAI 2005) (non-precedential) (opinion by APJ Lee for a panel that also consisted of APJs Schafer and Lane), however, makes it clear that the board still thinks that an inventor’s laboratory notebook requires independent corroboration:

the cited pages of Hawthorne’s notebook have not been witnessed by any non-inventor[,] and whatever activity is reflected by the

³² 83 JPTOS 171; italics in the original.

entries lacks independent corroboration. It is well established that an inventor's own testimony requires independent corroboration. See e.g., *Cooper v. Goldfarb*, 154 F.3d 1321, 1329, 47 USPQ2d 1896, 1903 (Fed.Cir. 1998).³³

Comments

It would be nice if the Federal Circuit were equally clear on this important matter.

X. INTERFERENCE PRACTICE

A. Pre-Interference Mechanics

1. There Is No Requirement for Briefing Before the Initial Designation of the Senior Party

Falkner v. Inglis

In *Falkner v. Inglis*, 448 F.3d 1357, 79 USPQ2d 1001 (Fed. Cir. 2006) (opinion by C.J. Gajarsa for a panel that also consisted of SCJ Archer and CJ Dyk), Falkner argued that the APJ had committed error by “initially designating Inglis as the senior party...[without] afford[ing] Falkner an opportunity for briefing prior to making the designation.”³⁴ The court's curt response was that Falkner's argument “lack[s] merit, and we shall not further discuss...[it].”³⁵

³³ 78 USPQ2d at 1413.

³⁴ 448 F. 3d at 1363, 79 USPQ2d at 1005. According to counsel for Falkner, his argument was actually that “the Board had to supply some type of explanation in the declaration of interference to explain the rationale behind the designation of the parties when benefit applications are involved.”

³⁵ 448 F. 3d at 1363, 79 USPQ2d at 1005.

B. Board Mechanics

1. Grant of a Motion That One of the Claims Making Up a McKelvey Count Is Unpatentable MAY Require the Count to Be Modified

Furukawa Electric North America v. Corning Inc.

Furukawa Electric North America v. Corning Inc., 78 USPQ2d 1070 (PTOBPAI 2005) (non-precedential) (order by APJ Schafer, not joined by any other APJ), states that, during the scheduling conference:

Other motions for unpatentability of involved claims, particularly those claims that will affect the count, may also be authorized. For example, where the count is “Claim 1 or Claim 2 of Jones Patent 5,XXX,XXX” and a party moves for a holding [that] the Jones Claim 1 is unpatentable over prior art, the granting of the motion would necessarily affect the count and would most likely require that the count be modified sua sponte to eliminate the unpatentable subject matter.³⁶

Question and Comment

(1) If an interference is to continue from the preliminary motions phase into the priority/derivation/inventorship phase, why wouldn't the grant of a motion that one but not both or all of a party's claims making up all or part of a McKelvey count is unpatentable always automatically require the substitution of a new count not containing the unpatentable claim? Surely neither party is entitled to prevail as to priority, derivation, or inventorship by proving subject matter within the scope of an unpatentable claim but outside the scope of any remaining

³⁶ 78 USPQ2d at 1071 n. 2; emphasis supplied.

patentable claim or claims!

(2) IMHO, a more interesting question is usually whether, at that point, the APJ should authorize the filing of (a) new motions claiming and attacking priority benefit and (b) new priority statements. Since every case is different in that regard, I think that the APJ should immediately schedule a conference call to discuss those possibilities.

2. An Interferent That Requests Entry of Adverse Judgment Cannot “Reserve” Rights for Later

Shustack v. Szum

That’s what a panel of the board said in Eli Lilly & Co. v. Cameron, 61 USPQ2d 1863 (PTOBPAI 2001) (non-precedential), discussed in Gholz, A Critique of Recent Opinions in Patent Interferences, 85 JPTOS 401 (2003) at § X.G., but that opinion was non-precedential. The senior party in Shustack v. Szum, 78 USPQ2d 1566 (PTOBPAI 2005) (precedential) (opinion by APJ Medley for a panel that also consisted of CAPJ Fleming and SAPJ McKelvey), tried the same thing and got the same result--but this time the opinion is marked as “binding precedent of the Trial Procedures Section.”

C. Riding to the End of the Line

1. A Panel Decides Two Issues That It Didn’t Have to Decide

Hudziak v. Ring

Contrary to the dark suspicions of some members of the interference bar, sometimes some APJs actually do some work that they don’t absolutely have to do. Hudziak v. Ring, 80 USPQ2d 1018 (PTOBPAI 2005) (non-precedential) (opinion by APJ Schafer for a panel that also consisted of APJs Medley and Tierney), was such a case. Ring, the senior party has filed an abandonment of the contest, which the panel treated as a request for entry of adverse judgment.

Nevertheless, instead of only entering judgment for Hudziak and knocking off early, the panel went on to decide Ring's two pending motions for judgment against Hudziak. It explained why it did so as follows:

Often an abandonment of the contest results in not only adverse judgment against the requestor, but termination of the interference. However, in this interference Genentech [Hudziak] is the junior party and has filed its briefs on issue preclusion and priority. Thus, we are in a position to evaluate whether Genentech [Hudziak] has proved, prima facie, that it was the first to invent the subject matter of the count[,] and we exercise our discretion to do so. The board has authority to decide priority, even when the opponent's claims have been held to be unpatentable. *Berman v. Housey*, 291 F.3d 1345, 1352, 63 USPQ2d 1023, 1028 (Fed. Cir. 2000).³⁷

The panel recognized that interferences are not declared until the PTO has determined that each party has at least one interfering claim that is patentable to it but for the existence of the interference. However, it held that:

the fact that a party's claims may be held unpatentable during the pendency of the interference does not divest the board of power to continue the interference. Under the statutory scheme now in effect, the board is authorized to decide both patentability and priority in interferences. 35 U.S.C. §§ 6(b), 135(a). Under these statutes, the board retains authority to decide priority even where all of one party's involved claims have been held unpatentable. *Housey*, 291 F.3d at 1352, 63 USPQ2d at 1028, *Perkins v. Kwon*, 886 F.2d 325, 12 USPQ2d 1308 (Fed. Cir. 1989) (affirming the decision of the board on priority against one party when all of the opponent's claims

³⁷ 80 USPQ2d at 1023.

corresponding to the count were held to be unpatentable).³⁸

Comment

While unusual, the panel's action is not unprecedented--and the Federal Circuit approved that practice over a vigorous challenge in In re Gartside, 203 F.3d 1305, 53 USPQ2d 1769 (Fed. Cir. 2001), discussed in Gholz, A Critique of Recent Opinions in Patent Interferences, 83 JPTOS 161 (2001), §XI.A. "Even Though One Side Gives Up, the Board has Jurisdiction to Go Ahead and Decide Patentability Issues Concerning the Other Side."

D. Deposition Mechanics

1. You've Got to Follow the Trial Section's Rules on Defending a Deposition!

Hammond v. Leiden

In Hammond v. Leiden, 77 USPQ2d 1319 (PTOBPAI 2005) (non-precedential) (APJ Lane, not joined by any other APJ), counsel for Leiden had failed to observe the "guidelines" for defending a deposition. Counsel for Hammond tried to set up a conference call with the APJ during the deposition, and, when he was unsuccessful in doing so, terminated the deposition. Three days later, he obtained a conference call with the APJ and opposing counsel. That conference call led to an order that read in relevant part as follows:

Based on discussion during the conference call and a review of the transcript of Dr. Kolansky's testimony submitted by Hammond ***, it appears that Leiden was in violation of the Cross-Examination Guidelines in effect during the interference.

³⁸ 80 USPQ2d at 1023.

***. Because of Leiden's violations, the Board may accord less weight to Dr. Kolansky's direct testimony.

Moreover, as Hammond did not complete its cross-examination of Dr. Kolansky, Leiden is required to produce Dr. Kolansky for further cross-examination so that Hammond may complete its questioning. In addition, Dr. Kolansky and Dr. Parmacek must be produced in a manner that allows Hammond to depose them in accordance with the Order in effect regarding witness order (Paper 70). Failure to produce Dr. Kolansky and Dr. Parmacek in such a manner may result in the exclusion of their testimony.

Leiden is advised that a failure to comply with the Cross-Examination Guidelines during future depositions may result in sanctions, including an award of compensatory damages to Hammond, under Bd. Rule 128. Leiden is cautioned that, as stated in the Cross-Examination Guidelines (Paper 2 at Appendix), it is not appropriate to instruct its witness not to answer a question unless Leiden objects to the question on the ground that the answer would reveal privileged information in which case a call should be placed to the Board for a ruling. Any objection, other than one based on privilege, must be stated precisely and in a non-argumentative way. For example, Leiden's asking Hammond how its line of questioning is relevant to Dr. Kolansky's declaration is

inappropriate (Exh. 2051 at 75-76). The witness should answer despite Leiden's objection and without further comment from Leiden.³⁹

Comment

The Appendix to the Standing Order contains the latest version of SAPJ McKelvey's "Cross-Examination Guidelines." Do not be confused. These are not "guidelines." They are rules--and the Trial Section means to have them followed.

2. Stipulations Cannot Override 37 CFR 41.4(a)'s Requirement for a Showing of Good Cause

University of California v. Children's Medical Center Corp.

37 CFR 41.4(a) provides that:

Extensions of time. Extensions of time will be granted only on a showing of good cause except as otherwise provided by rule.

In University of California v. Children's Medical Center Corp., 77 USPQ2d 1479 (non-precedential) (APJ Torczon, not joined by any other APJ), the parties had filed a joint motion the substantive part of which read in its entirety as follows:

The Parties hereby jointly request that the deadline for filing a Joint Motion for Judgment of No Interference In Fact be extended one week, from January 31, 2005 to February 6, 2005.⁴⁰

³⁹ 77 USPQ2d at 1320; footnote omitted.

⁴⁰ 77 USPQ2d at 1480.

According to Judge Torczon, that motions “provides no cause [for granting the extension], good or otherwise.”⁴¹ Accordingly, he dismissed the motion--but with leave to refile it “with a showing of good cause.”⁴²

Comment

The parties were darn lucky that Judge Torczon didn't deny the motion out of hand. GN v. SW, 57 USPQ2d 1073 (PTOBPAI 2000) (expanded panel), means what it says. See Gholz, A Critique of Recent Opinions in Patent Interferences, 84 JPTOS 163 (2002) at § X.B., “Unopposed Motions Are Not Necessarily Granted!”.

3. It's OK to Pay Fact Witnesses for Their Time

Stampa v. Jackson

A colleague and I have written this opinion up at length in Gholz and Parker, It's OK To Pay Fact Witnesses for Their Time, 13 Intellectual Property Today No. 10 at page ___ (2006). Rather than repeating that discussion here, I refer the reader to that write-up.

4. The Equivalent of an Exclusion Order

Sehgal v. Revel⁴³

In Sehgal v. Revel, 79 USPQ2d 1479 (PTOBPAI 2005) (non-precedential) (APJ Lane, not joined by any other APJ), we planned to ask Sehgal's two expert witnesses some of the same

⁴¹ 77 USPQ2d at 1480.

⁴² 77 USPQ2d at 1480.

⁴³ My colleague Dan Pereira and Alex Gasser and I were co-counsel for Revel. Roger Browdy and Ronni Jillions of Browdy & Neimark were lead counsel for Revel.

questions--in hopes of getting inconsistent answers. So, we asked for an exclusion order. We didn't get that, but we may have gotten something even better:

Sharing questions or answers from the cross-examination of the first deposed witness with the witness to be deposed secondly is a type of witness coaching that is closely akin to the type of witness coaching that is forbidden by the Cross-Examination Guidelines (found in the Standing Order (Paper 1, Guideline 4 at 29)). Whether any coaching has occurred is a proper area of inquiry by deposing counsel. (Paper 1, Guidelines 5 and 6 at 30). If such coaching occurs, then the offending party would be subject to the sanctions set forth in the Cross-Examination Guidelines. (Paper 1, Guidelines at 27 (Introduction ¶ 3)).⁴⁴

Comments

- (1) Sanctions! Oh my.
- (2) A colleague and I wrote this issue up at length in Gholz and Wilcox,

Sequestration of Interference Witnesses, 12 Intellectual Property Today No. 12 at page 38 (2005).

E. Motions, Oppositions, and Replies

1. A Movant Seeking Undesignation of Claims Must Assert That It Is Unaware of Any Prior Art Linking Those Claims To The Count

Melanson v. Strickland

In Melanson v. Strickland, 77 USPQ2d 1158 (PTOBPAI 2005) (APJ Medley, not joined by any other APJ), Melanson had filed two motions to undesignate some of its claims in which it

⁴⁴ 79 USPQ2d at 1480.

argued that the examiner's recommendation of the interference contained errors. Wrong, said Judge Medley:

Melanson's arguments are misplaced. At the time an interference is declared, there is a presumption that the declaration is correct. As the movant, Melanson bears the burden to demonstrate otherwise. It is not enough to merely point out alleged mistakes made in the examiner's write-up, without any evidence to support the argument, and then conclude that Melanson claims 4-9 are nonobvious.

Melanson must demonstrate that is it unaware of any prior art that would render its claims 4-9 obvious in view of the count, or if it is aware of art that is relevant, that the prior art would not, when combined with the count, render obvious the Melanson claims 4-9, all consistent with the moving party's duty of disclosure under 37 CFR § 1.56.

Accordingly, Cirrus Logic, Inc., in resubmitting Melanson preliminary motions 1 and 2, is required to submit a signed statement from an officer of Cirrus Logic, Inc. (e.g., [] a declaration), stating that he/she is not aware of prior art which would lead to Melanson claims 4-9, having a switching arrangement with the specified order of switch transitions of claims 4-6, or mean for sensing current connected to the first switch, or equivalents thereof of claims 7-9, when combined with

the count, or which in combination with the art record and the count would lead to Melanson claims 4-9.⁴⁵

Comments

(1) According to counsel for Melanson, “the motion was a stipulated one arising from settlement.” However, see Gholz, A Critique of Recent Opinions in Patent Interferences, 84 JPTOS 163 (2002), at § X.B., “Unopposed Motions Are Not Necessarily Granted!”

(2) Since the truthfulness of such an assertion is likely to be scrutinized by hostile eyes if the interference results in an asserted patent, the required statement should only be made after careful consideration.

2. Motions to Correct Obvious Mistakes Should Be Filed Promptly

Scripps Research Institute v. Nemerson

I wrote up this aspect of this opinion at length in Gholz, Corrections of “Obvious Mistakes” During an Interference, 13 Intellectual Property Today No. 7 at page 7 (2006). Rather than repeating that write-up here, I refer the reader to that publication.

3. A Proposed Motions List Must Be Complete, but It Needn’t Be Precise

Sehgal v. Revel⁴⁶

Some of the APJs are cracking down vigorously on the tendency of some practitioners to file motions that expand upon the motions listed in their list of proposed motions without

⁴⁵ 77 USPQ2d at 1159-60.

⁴⁶ My colleague Dan Pereira and Alex Gasser and I were co-counsel for Revel. Roger Browdy and Ronni Jillions of Browdy & Neimark were lead counsel for Revel.

obtaining advance authorization to do so. However, Sehgal v. Revel, 78 USPQ2d 1639 (PTOBPAI 2005) (non-precedential) (order by APJ Lane, not joined by any other APJ), stands for the proposition that the correspondence need not be precise:

Revel requested that it be authorized to rely upon Sehgal's lack of reliance upon its deposit in Revel's previously authorized motion for judgment against the Sehgal claims for failure to comply with 35 USC 112, ¶ 1. Sehgal opposed on the basis that Revel should not be allowed to provide an inadequate motions list and amend it at a much later time in the interference.

In its motions list, Revel indicated that it wished to file a motion for judgment that the Sehgal claims do not comply with 35 USC 112, ¶ 1 "because Sehgal did not comply with...37 CFR § 1.804(b)." Implicit in Revel's motions list position that the Sehgal claims do not comply with 112, ¶ 1 on the basis of an improper deposit is that the Sehgal application does not provide 112, ¶ 1 support without the deposit. Thus, it does not appear that Revel is asking to amend its motions list by very much, if at all.

Upon consideration of the record and for reasons given, Revel's request is GRANTED.⁴⁷

Comment

When in doubt, ask for a conference call to seek that advance authorization!

⁴⁷ 78 USPQ2d at 1640.

4. The Standards Are Higher in Interferences

Sehgal v. Revel⁴⁸

As every practitioner knows, examination of some ex parte petitions can be perfunctory. However, what happens when a petitionable matter comes up in an interference context? According to Sehgal v. Revel, 78 USPQ2d 1954 (PTOBPAI 2005) (non-precedential) (opinion by APJ Lane for a panel that also consisted of APJs Schafer and Medley), the standards are higher:

Lastly, even if Mr. Schulman's statement met the requirements of Rule 137(b)(3), Sehgal would not prevail in its motion for benefit. In an *inter partes* proceeding, meeting the requirement of a relevant *ex parte* rule, without more, may not be sufficient to establish a moving party's entitlement to the relief sought. Bd. R. 121(b). In particular, as stated as Bd. R. 121(c)(2) (emphasis added):

Where a rule in part 1 of this title ordinarily governs the relief sought, the motion must make any showings required under the rule *in addition to* any showings required in this part.⁴⁹

Comment

⁴⁸ My colleague Dan Pereira and Alex Gasser and I were co-counsel for Revel. Roger Browdy and Ronni Jillions of Browdy & Neimark were lead counsel for Revel.

⁴⁹ 78 USPQ2d at 1957; emphasis in the original.

In addition, of course, one normally has another attorney or attorneys vigorously opposing one's motion seeking relief that could have been obtained on petition had the relief been sought *ex parte*. Thus, it behooves the prospective interferent to clean up as many as possible of its technical errors before an interference is declared!

5. Is a Party That Suggested an Interference Estopped From Moving for a Judgment That There Is No Interference in Fact?

University of California v. Children's Medical Center Corp.

In University of California v. Children's Medical Center Corp., 79 USPQ2d 1029 (PTOBPAI 2005) (non-precedential) (opinion by APJ Torczon for a panel that also consisted of SAPJ McKelvey and APJ Schafer), UC had requested the interference. However, after the interference was declared, the parties jointly requested a judgment that there was no interference in fact.

UC apparently offered no explanation for its apparent change of heart. However, the parties did jointly argue that they had been unaware of the standard for declaring an interference between parties having different claims because "the 'first clear enunciation of the requirement' appeared in 1998, after UC had requested this interference."⁵⁰ The panel rejected that explanation with the assertion that:

Since the patentable distinctness test for no interference-in-fact was articulated more than a century ago in *Ex parte Card*, 1904 C.D. 383, 384-85 (Comm'r Pats.), the parties contention has no

⁵⁰ 79 USPQ2d at 1035 n.4.

merits.⁵¹

More interesting for present purposes, however, is the panel's additional comment:

Although unstated, the argument appears to be an attempt to explain away a potential estoppel against UC. Since we dispose of the issue on the merits, we do not now address [the] latent estoppel question.⁵²

Comment

There might have been many good (and a few bad) reasons for UC's change of heart. However, the panel's comment suggests that, in this situation, a party that does have a change of heart should put on the record a good reason for its having done so.

6. If You Try to Remove a 35 USC 102(a) or 102(e) Reference Via a 37 CFR 1.131 Declaration and Fail, You May Have Waived Your Right to Put on a Priority Case

Navarrini v. Worm

Frequently a motion for a judgment that one or more of an opponent's claims is unpatentable over the prior art or an opposition to a motion to substitute a new claim or a new count will rely upon a 35 USC 102(a) or 102(e) reference--that is, a reference that is potentially removable. What then? According to Navarrini v. Worm, 79 USPQ2d 1178 (PTOBPAI 2005) (precedential) (opinion by SAPJ McKelvey for an expanded panel consisting of CAPJ Fleming and APJs Schafer, Lee, Torczon, Lane, Medley, Moore, Poteate, and Nagumo):

⁵¹ 79 USPQ2d at 1035 n.4.

⁵² 79 USPQ2d at 1035 n.4.

Two years after the Trial Section was established, it became apparent that it might not be a good idea to “automatically” defer to the priority phase a preliminary motion for judgment based on §§102(a) and 102(e) solely because of an allegation in a preliminary statement. In *LaVeen v. Edwards*, 57 USPQ2d 1416 (Bd. Pat. App. & Int. 2000), the Trial Section expanded on the practice announced in *Goutzoulis [v. Athale]*, 15 USPQ2d 1461 (Comm’r Pat. 1990)]. The Trial Section determined that it would be appropriate to offer an opponent two choices to antedate references. Accordingly, when a party filed a preliminary motion for Judgment base on §§102(a) and 102(e) prior art, in addition to arguing patentability on the merits, the opponent had two options[,] and it was up to the opponent to elect which option it desired to pursue. As a *first option*, the opponent could elect to call attention to its preliminary statement asking that the preliminary motion for judgment be deferred to the priority phase of the interference. As a *second option*, the opponent could elect to present proofs under 37 CFR § 1.131 seeking to antedate any non-statutory bar. 57 USPQ2d at 1420.⁵³

This, of course is old law. However, Judge McKelvey then continued as follows:

We noted [in LeVeen v. Edwards] that each option has advantages

⁵³ 79 USPQ2d at 1182; emphasis in the original.

and disadvantages. 57 USPQ2d at 1420-21. Once an option is elected, it generally would control further proceedings in the interference. In other words, if a party does elect the second option to put on a Rule 131 showing *and fails*, it generally will have waived any opportunity to get a second bite at the apple in the priority phase.⁵⁴

Comment

The \$64,000 question is whether the Trial Section means that a party that sought to remove a 35 USC 102(a) or 102(e) reference via a 37 CFR 1.131 declaration during the first phase of the interference but failed has waived only its right to seek to remove the reference via the submission of priority evidence during the second phase of the interference or whether it has also waived its right to submit priority evidence for priority purposes as well. Since the standards for removing a reference via a 37 CFR 1.131 declaration are much lower than the standards for proving priority during the second phase of an interference, it seems to me that, if a party can't satisfy 37 CFR 1.131, it follows ineluctably that it cannot prove priority and that such a party has indeed waived its right to attempt to prove priority during the second phase of the interference.

7. Review of Interlocutory Decisions May No Longer Be Sought at Final Hearing

Ginter v. Benson⁵⁵

⁵⁴ 79 USPQ2d at 1182; emphasis in the original.

⁵⁵ My colleagues Michael Casey and Todd Baker and I represented Benson.

Prior to the promulgation of the new rules, it was possible (and, indeed, common) to seek review of an interlocutory motion decision at final hearing under 37 CFR 1.655(a), which expressly indicated that, in rendering a final decision, the Board could also consider whether an interlocutory order should be modified. Ginter v. Benson, 80 USPQ2d 1700 (PTOBPAI 2005) (non-precedential) (opinion by APJ Lee for a panel that also consisted of SAPJ McKelvey and APJ Moore), makes it emphatically clear that is no longer the case:

According to Benson's counsel, he interpreted 37 CFR §41.125(c)(1) as applying only to a request for rehearing by a single patent judge because panel rehearings are mentioned in 37 CFR §41.125(c)(5) and because[,] prior to the recent rule change, which promulgated 37 CFR §41.125(c), parties were able to seek review of interlocutory motion decisions at a panel hearing on a substantive priority or preliminary motion. The problem with that argument, however, is that the §41.125(c)(1) time period makes no distinction between rehearings by a single judge and rehearings by a panel and that the §41.125(c)(5) reference to a panel rehearing makes no mention of any separate time period. Nothing in 37 CFR §41.125(c) reasonably suggests that there is a longer time period for requesting rehearing by a panel.⁵⁶

8. An APJ Rules That He Need Not Consider Inter Partes a Motion for a Judgment that an Applicant-Interferent's Claims are Unpatentable Over the Prior Art

Hiroya v. Rosen

Notwithstanding the fact that 35 USC 135(a) says, in relevant part, that "The Board of Patent Appeals and Interferences shall determine questions of priority of the inventions and may determine questions of patentability," in Hiroya v. Rosen, 80 USPQ2d 1703 (PTOBPAI 2005) (non-precedential) (opinion by APJ Lee, not joined by any other APJ), an APJ prohibited Hiroya,

⁵⁶ 80 USPQ2d at 1702.

a patentee-interferent, from filing a motion for a judgment that the claims of applicant Rosen designated as corresponding to the count were unpatentable over Hiroya's own published corresponding Japanese and European applications. Instead, he entered an order which read in relevant part as follows:

FURTHER ORDERED that party Hiroya is not authorized to file any motion for judgment against party Rosen's involved claims based on an assertion of unpatentability over any prior art;

FURTHER ORDERED that party Hiroya shall serve a copy of its foreign priority published applications JP 8147500 A and EP 0713198 A2 on party Rosen within 7 days of the date of this communication (including any English translation that Hiroya possesses); and

FURTHER ORDERED that[,] if and when party Rosen prevails on priority in this interference with respect to any count, it shall, immediately upon return of its involved application to the jurisdiction of the examiner, bring to the examiner's attention JP 8147500 A and EP 0713198 A2 and submit to the examiner for consideration a copy of what party Hiroya sends party Rosen in response to the immediately forgoing paragraph.

Furthermore, he specifically noted that, in light of this order, the interference would continue on into the priority phase.

Questions and Comment

Such motions have often been considered in the past. Why wasn't this one? Will the other APJs follow Judge Lee's lead? Would it have made any difference to Judge Lee if Hiroya had been an applicant rather than a patentee, since Hiroya's own published priority applications would not have been available as prior art against it? Was this simply a labor-saving device to shift part of the burden of deciding patentability issues from the board to the examining corps--

where, of course, Hiroya could neither submit expert testimony nor cross-examine Rosen's declarant(s)?

This order indicates that at least this APJ is willing to put parties (and the PTO) to the expense of conducting the priority phase of an interference even if one of the parties (here, Rosen) has no patentable claims. That certainly seems to be a change from prior practice.

F. Burdens of Proof

Nothing interesting this year.

G. Evidentiary Issues

1. Object!

Stanton v. Dahlen

In Stanton v. Dahlen, 77 USPQ2d 1415 (PTOBPAI 2005) (non-precedential) (APJ Lane, not joined by any other APJ), Stanton had failed to file a timely objection to some of Dahlen's evidence. The APJ permitted it to file a motion for leave to file a belated objection, but then denied that motion on two independent grounds.

First, Stanton had been dilatory in seeking permission to file its belated motions:

Even if Stanton is correct that it could not have discovered what it perceives to be a problem with Dr. McCullough's ¶ 13 testimony until after receiving the Dahlen replies, Stanton did not act promptly to object to the evidence at that time. Stanton received the replies on 7 December 2004 yet did not either (1) object to the evidence at that time, or (2) place a conference call to the APJ in order to seek authorization to belatedly object to the

evidence. Instead it was over a month later that Stanton, ignoring the requirements of Bd.R. 155(b)(1) and (c), and without consulting the APJ, filed a motion to suppress the evidence. While Stanton argues that it had to confer with its experts prior to discovering its need to file the motion, Stanton waited over two weeks after receiving the replies before consulting with its experts and then, after such consultation, failed to inform the APJ of its need to object belatedly to Dr. McCullough's ¶ 13 testimony.⁵⁷

Second, because Stanton's objection, when made, went to the weight to be accorded Dahlen's evidence not to its admissibility:

It is not appropriate to exclude testimony because an opposing party disagrees with it. If the evidence is not supported by sufficient facts or data, as Stanton contends is the case with Dr. McCullough's ¶ 13 testimony, it is appropriate for the fact finder to accord little weight to the testimony. In other words, if Stanton is correct and the record shows that Dr. McCullough relied upon the incorrect study in reaching his conclusion at paragraph 13 of Exhibit 1067, then that portion of Dr. McCullough's testimony likely will be given very little weight.⁵⁸

Comment

One of my colleagues is fond of saying that "The worst objection is the one not made."

⁵⁷ 77 USPQ2d at 1416.

⁵⁸ 77 USPQ2d at 1416.

This sometimes leads us to serve a plethora of objections, from among which we judiciously select which ones to follow up on with a motion to suppress.

2. All Potential Biases (Pro or Con) of All Witnesses Must Be Disclosed

Scripps Research Institute v. Genentech Inc.

In an interesting pre-figuring of the Federal Circuit's opinion in Ferring B.V. v Barr Laboratories, Inc., 437 F.3d 1183, 78 USPQ2d 1161 (Fed. Cir. 2006), the board's opinion in Scripps Research Institute v. Genentech Inc., 77 USPQ2d 1809 (PTOBPAI 2005) (non-precedential) (opinion by APJ Torczon for a panel that also consisted of APJs Medley and Poteate), contains the following passage:

The Konigsberg declaration does not identify the basis of Dr. Konigsberg's relationship with Genentech. Based on related proceedings, we have reason to believe that Dr. Konigsberg worked with Genentech in the early stages of development of the claimed invention. Given the nature of the testimony, we find the testimony credible despite this undisclosed relationship.

Nevertheless, such relationships may be vital when evaluating testimony regarding written description and should be disclosed in the declaration. *Refac Int'l, Ltd. v. Lotus Dev. Corp.*, 81 F.3d 1576, 1581-82, 38 USPQ2d 1665, 1669 (Fed. Cir. 1996).⁵⁹

Suggestion

Every declaration (whether, as here, of an expert witness or of a fact witness) should

⁵⁹ 77 USPQ2d at 1815 n. 5.

contain a section either (1) explaining the declarant's relationships with the real parties in interest (both the one that is submitting the declaration and its opponent(s)) and all of the named inventors or (2) explaining that the declarant has no such relationships.

3. Discovery Cannot Be Used to Verify OC's Good Faith

Bayer CropScience S.A. v. Syngenta Ltd.

In Bayer CropScience S.A. v. Syngenta Ltd., 78 USPQ2d 1797 (PTOBPAI 2005) (non-precedential) (opinion by APJ Schafer for a panel that also consisted of APJs Lee and Torczon), Syngenta sought production of unredacted copies of reports that Bayer CropScience had submitted in redacted form, alleging that the redacted portions of the reports might be "relevant" to the substantive issues that the parties had raised in their motions.⁶⁰ The panel refused to order production (and even refused to review in camera the unredacted copies of the reports that it had ordered Bayer CropScience to submit to it), reasoning as follows:

The PTO relies, and should be able to rely, upon attorneys registered to practice before it to act in an honest and forthright manner in their dealings with the PTO. *Kingsland v. Dorsey*, 338 U.S. 318, 319 (1949) ("[T]he relationship of attorneys to the Patent Office requires the highest degree of candor and good faith."). *** Because of this very strong duty to be candid and act in good faith before the PTO, there is, in effect, a presumption that the parties in making arguments and submitting evidence to the PTO have acted

⁶⁰ Notably, the redacted portions of the reports might arguably have been inconsistent with the unredacted portions of the report.

in good faith and in accordance with the duty of candor. The redactions plus Syngenta's surmises and possible scenarios as to the possible reasons for the redactions are insufficient to defeat the presumption that Bayer acted in good faith and in accordance with the duty of candor in redacting portions of the reports. Syngenta's request for additional discovery is denied.⁶¹

Comments

(1) Bayer CropScience had apparently not gone through the onerous procedure discussed in Gholz, How to Redact an Exhibit for Use in an Interference, 11 Intellectual Property Today No. 11 at page 16 (2004). However, the panel (including APJ Lee) made nothing of that failure despite the fact that APJ Lee was the author of the opinion discussed in my article.

(2) I agree that members of the interference bar are all presumptively honorable. However, relevance is in the eye of the beholder. Bayer CropScience's counsel might have thought irrelevant something while Syngenta's counsel might have thought worthy of note. In my opinion, production should have been ordered.

(3) Perhaps the problem here is the board's refusal to issue protective orders. See Gholz, Compelled Testimony, Testimony Abroad, and Protective Orders in Interference Proceedings Under the New Rules, 67 JPTOS 239 (1985).

(4) In any event, there can be little doubt that Syngenta will get the discovery that it wants in the inevitable follow-on 35 USC 146 action. See generally Gholz, Why Are 35 USC 146 Actions Becoming So Popular?, 5 Intellectual Property Today No. 9 at page 6 (1998). But why does the board insist on making its proceedings "mere try-outs on the road"?

⁶¹ 78 USPQ2d at 1800.

4. New Evidence Relied Upon During Oral Argument Must Be Objected to at That Time

Ginter v. Benson⁶²

In Ginter v. Benson, 79 USPQ2d 1257 (PTOBPAI 2005) (non-precedential) (opinion by APJ Lee, not joined by any other APJ), during oral argument Ginter's counsel relied upon a brand new declaration from one of its witnesses. Benson's counsel objected orally at that time, then sought to file a written objection. However, Judge Lee ruled that no written objection was necessary because Benson's counsel had objected during the hearing:

A short time ago, and prior to the time of the oral argument on September 1, 2005, counsel for both parties were informed by the patent judge that[,] on matters which concern material allegedly belatedly presented in a reply brief or in connection with a reply brief, which matters a party believes the Board should not consider because of the untimeliness of the presentation, written motions are unnecessary[,] and the party should simply make an objection to that material during oral argument. In that connection, during the telephone conference call counsel for Ginter acknowledged that Benson's counsel had made an objection on the record at oral argument with regard to the second declaration of Robert W. Faris.

ORDERED that a written motion by Benson formally objecting to Ginter's reliance on any specific content of the second declaration of Robert W. Faris is unnecessary and unauthorized;

FURTHER ORDERED that the Board will review the objection made on the record by Benson's counsel and the response offered by Ginter's counsel during oral argument on

⁶² My colleagues Michael Casey and Todd Baker and I represented Benson.

September 1, 2005, and take appropriate action, if any, in light of the objection and response; and

FURTHER ORDERED that a copy of the transcript of the oral argument held on September 1, 2005, should be filed by either party by September 22, 2005.⁶³

Comment

Judge Lee's reference to his previous order concerning "matters...presented in a reply brief or in connection with a reply brief" doesn't seem quite on point. Ginter's counsel did not serve the new declaration on us with its reply brief. Rather, they served it on us prior to the oral argument as a "demonstrative" to be used at the oral argument. When Ginter's counsel relied on the new declaration at oral argument, we objected "on the record." However, whether or not the previous order was relevant, the important point is that the panel did not rely on Mr. Faris's new declaration in its opinion on the merits.

H. Discovery

1. One Can Use Interference Discovery to "Fish" For Information That One Doesn't Already Have!

Ginter v. Benson⁶⁴

Many counsel are fond of arguing that the board should not order discovery which is merely "a fishing expedition." In Ginter v. Benson, 77 USPQ2d 1638 (PTOBPAI 2005) (non-precedential) (APJ Lee, not joined by any other APJ), however, Judge Lee authorized what clearly could be described as a "fishing expedition"--in the sense that we didn't know what we were going to catch.

⁶³ 79 USPQ2d at 1258.

⁶⁴ My colleagues Michael Casey, Todd Baker, and I represented Benson.

We represented Benson. We had talked with an independent, third-party witness formerly employed by IBM sufficiently to suspect that we could get some “good stuff” if we could depose him. However, after initially talking freely, he clammed up--and we learned that the reason that he clammed up was that he was under contract with Ginter’s counsel not to talk to us. So, we sought authorization from Judge Lee to subpoena him and one of his former colleagues. Judge Lee initially turned us down on the classic Trial Section ground that we “ha[d] not established a sufficient tie or connection between the meeting and the subject matter of the counts in this case.”⁶⁵ That is, we couldn’t ask the witnesses any questions because we didn’t know what their answers would be.

However, on sua sponte “further consideration”⁶⁶ (!), Judge Lee changed his mind, saying:

I find that the existence of a contract between Ginter or Ginter’s attorneys with the IBM representatives, entered into in connection with this proceeding, which prohibited the IBM representatives who are fact witnesses from freely testifying or talking to Benson’s attorneys about what they saw or heard, itself provides the missing link that ties the meeting to this case, sufficient to justify Benson’s taking related testimony from the witnesses.⁶⁷

Moreover, he saved us the trouble of subpoenaing those witnesses:

Authorization for Benson to seek a subpoena from a U.S. District

⁶⁵ 77 USPQ2d at 1639.

⁶⁶ 77 USPQ2d at 1639.

⁶⁷ 77 USPQ2d at 1639.

Court, however, is not necessary here because evidently the only impediment to Benson's taking testimony from the witnesses is imposed by Ginter. Under these circumstances, authorizing the seeking of a subpoena would be to waste the time of the U.S. District Judge and the resources of the U.S. District Court. The USPTO may be able to provide the relief Benson requires.

C. *Conclusion*

It is

ORDERED that party Ginter shall immediately remove all contractual impediments it or its attorneys have imposed on the IBM representatives for disclosing facts to Benson or Benson's counsel, which extends beyond the restriction that such disclosure must be in the presence of Benson's counsel, if any exists....⁶⁸

Comment

Retaining fact witnesses with a contract that provides that they will not talk with opposing counsel except in a deposition is, of course, common.

I. Settlement

1. A Petition for Access to a Settlement Agreement Must Be Served on the Parties to the Interference

In re Hogan & Hartson, LLP

In In re Hogan & Hartson, LLP, 80 USPQ2d 1958 (CAPJ Fleming 2005) (non-

⁶⁸ 77 USPQ2d at 1639.

precedential), a law firm had filed a 37 CFR 41.205(d)⁶⁹ petition for access to a settlement agreement on behalf of an entity (not named in the opinion) which was allegedly a licensee under a patent that had issued as a result of the outcome of an interference. CAPJ Fleming first dismissed the petition on the ground that:

Petitioner has not explained why the fact that a petitioner is a “licensee” under a patent which issued after an interference in which a settlement agreement was filed constitutes [35 USC 135(c)] “good cause.”⁷⁰

Second, and much more interestingly, CAPJ Fleming indicated that, if he had not dismissed the petition, he would have denied it on the ground that the petition had not been “served on the parties to the interference.”⁷¹ According to CAPJ Fleming:

Based on experience, the agency is aware that agreements can contain trade secret or confidential information. The agency would prefer to hear from the party who is in a best position to indicate whether an agreement contains a trade secret or confidential information. Accordingly, service of the petition on the parties at their respective addresses of record in the interference file is a procedural condition precedent to considering on its merits a petition for access under 35 U.S.C. § 135(c).⁴

⁴ Cf. 37 CFR § 102.9 (2005), implementing the Freedom of Information Act and which permits an objection to be filed to the release of material believed to fall within the scope of 5 U.S.C. §

⁶⁹ 37 CFR 41.205(d) reads as follows:

Access to agreement. Any person, other than a representative of a Government agency, may have access to an agreement kept separate under paragraph (c) of this section only upon petition and on a showing of good cause. The agreement will be available to Government agencies on written request.

⁷⁰80 USPQ2d at 1960.

⁷¹ 80 USPQ2d at 1960.

552(b)(4) (trade secrets, commercial or financial information obtained from a person and privileged or confidential). *See also* 18 U.S.C. § 1905 C.J. which prohibits disclosure of confidential information.⁷²

Comment and Suggestions

I think (1) that this is a dandy idea, but (2) that there is not a hint of this requirement in 37 CFR 41.205(d). So, I respectfully suggest (1) that 37 CFR 41.205(d) be amended forthwith to incorporate this requirement and (2) that the amended 37 CFR 41.205(d) also specify (a) when the interferences' responses are due and (b) when the petitioner's reply to those responses is due.

J. Responses to Orders to Show Cause

1. Being Pushed by the Examiner is Not an Excuse

Nickles v. Montgomery

Nickles v. Montgomery, 78 USPQ2d 1410 (PTOBPAI 2005) (non-precedential) (opinion by APJ Lee for a panel that also consisted of APJs Schafer and Lane), is further evidence in support of the general prepositions that:

A junior party applicant who fails to demonstrate a prima facie showing under 37 CFR § 41.202(d) may file additional evidence only under very limited circumstances with a showing of good cause. 37 CFR § 41.202(d)(2).⁷³

and that “[t]he good cause standard for accepting new evidence is not an easy one to meet.”⁷⁴

⁷² 80 USPQ2d at 1960.

⁷³ 78 USPQ2d at 1411.

⁷⁴ 78 USPQ2d at 1412.

What makes the opinion interesting is the panel's discussion of one of Nickles's excuses.

First, "Junior party Nickles complains about undue delay on the part of the USPTO in getting the interference declared, years of delay...."⁷⁵ While we of the interference bar can sympathize with Nickles, the panel did not:

That time period during which junior party's claims were under a rejection cannot be properly be regarded as undue delay, even if the rejection was ultimately reversed by the Board of Patent Appeals and Interferences. As for the time subsequent to the reversal of the rejection and during which the junior party allegedly made numerous calls to the examiner, special program examiner, and the Technology Center Director's office and received "no action" on declaration of the interference, the junior party filed no petition to the Commissioner of Patent to address the perceived delay. Having taken no formal action to address the perceived delay problem, the junior party cannot now complain....⁷⁶

Second, Nickles's counsel complained that, when the examiner finally called him and asked for an updated suggestion of an interference under the new rules:

counsel for Nickles sensed an urgency communicated by the examiner in having the junior party's submission under 37 CFR §

⁷⁵ 78 USPQ2d at 1412.

⁷⁶ 78 USPQ2d at 1412.

41.202(d), and that's why counsel for the junior party immediately submitted whatever he had in his file at that time. In that regard, junior party's response to the show cause order states: "[T]he urgent oral request of February 8, 2005 did not provide adequate time for preparation of evidence, and applicants felt compelled to immediately submit the evidence available in the file or face the application once again falling dormant for months and years." The response further states: "Now applicants face sanctions for their prompt actions."⁷⁷

Again, Nickles got no sympathy from the panel:

The examiner has set no time period for the junior party to submit a proper showing under 37 CFR § 41.202(d), and the applicable rules also do not set any deadline. Even if a time period had been set, if the junior party really thought that the period set did not provide sufficient time[,] there is no reason why the junior party could not have sought an extension. The argument that counsel for the junior party had no choice but to submit immediately whatever he had in the files and that the junior party is now being sanctioned for its taking "prompt" action is not persuasive.⁷⁸

⁷⁷ 78 USPQ2d at 1412.

⁷⁸ 78 USPQ2d at 1412.

Comments

The teaching points are, of course, (1) that you should take your time and do it right and (2) that here, as elsewhere, “the examiner made me do it” is not a good excuse.

XI. PATENTABILITY ISSUES ARISING IN AN INTERFERENCE CONTEXT⁷⁹

A. Using a SIR to Impede Your Opponent’s Progress

Kaufman v. Levinson

In Kaufman v. Levinson, 77 USPQ2d 1476 (PTOBPAI 2005) (non-precedential) (APJ Torczon for a panel that also consisted of APJs Schafer and Lane), the board had entered judgment against both parties. Levinson’s assignee then filed a 35 USC 146 action. However, it decided not to fight the 35 USC 146 action, and it requested the district court to remand the interference to the PTO. Kaufman’s assignee did not oppose, the Solicitor agreed to the remand,⁸⁰ and the court did so. On remand, Levinson filed a request to convert its application in interference to a SIR,⁸¹ which would have been a 35 USC 102(e) reference against Kaufman’s patent, without having received the board’s permission to do so. That led the board to rap the knuckles of counsel for Levinson rather severely.⁸²

Comments

What Levinson was apparently trying to do was to avoid the effect of the second

⁷⁹ This section deals only with such issues that have an interference flavor to them--not with routine patentability issues that might also arise in infringement litigation.

⁸⁰ The board’s opinion does not say that, but Levinson’s counsel told me that.

⁸¹ See generally, Gholz & Pope, The Impact of Statutory Invention Registrations on Interference Practice, 67 JPTOS 645 (1985).

⁸² See Section XII.B.

paragraph of 35 USC 157(a), which reads as follows:

If an interference is declared with respect to such an application [i.e., a regularly filed application for a patent], a statutory invention registration may not be published unless the issue of priority of invention is finally determined in favor of the applicant.

While that is perfectly understandable, Paul Morgan, Xerox's in-house interference guru, pointed out to me that Levinson's problem "*could have been finessed* by filing a continuation or divisional with significantly different claims and immediately converting THAT to an SIR."

B. It Is Difficult if Not Impossible to Obtain Judgment for Failure to Disclose a Best Mode

Scripps Research Institute v. Nemerson

In Scripps Research Institute v. Nemerson, 78 USPQ2d 1019 (PTOBPAI 2005) (non-precedential) (opinion by APJ Torczon for a panel that also consisted of APJs Medley and Poteate). Scripps sought a judgment that Nemerson was not entitled to a benefit date on the ground, inter alia, that Nemerson has failed to comply with the best-mode requirement of 35 USC ¶ 1 in its benefit application. That motion was denied as follows:

Scripps cites no precedent in which a best mode has been considered relevant to the question of constructive reduction to practice in an interference.

There are at least two fundamental errors in Scripps' argument. First, it presupposes that there is a best-mode requirement for a constructive reduction to practice. Second, it

presumes that which Scripps must prove: that Nemerson had a best mode in mind at the time of filing.

The first case that Scripps cites in its motion...is *Cromlish v. D.Y.*, 57 USPQ2d 1318 (BPAI 2000).

The first question is whether there is a best mode requirement for a constructive reduction to practice. In *Cromlish*, the Board denied a motion attacking benefit on the basis of a best-mode violation. The Board explained that *Cromlish* had failed to provide any argument for why a best mode is required for construction to practice. While the Board did not hold that there is no best-mode requirement for constructive reduction to practice, it provided reasons for skepticism about such an argument. It is disappointing that Scripps could cite *Cromlish* and still make the very same mistake that *Cromlish* made... [However,] we need not resolve the question here because it is Scripps' responsibility to make out its own case in the first instance. Following *Cromlish*, we hold that Scripps has not followed established a prima facie case for stripping Nemerson of its earliest constructive reduction to practice for failure to disclose a best mode.

The second question is whether Nemerson had a best mode that was not disclosed.

Scripps simply assumes that there was a best mode that was not

described because, according to Scripps, no mode was described or enabled. This is the no-mode fallacy: enablement and best-mode are distinct requirements so a failure to enable does not automatically create a best-mode violation. *Teleflex, Inc. v. Fiscosa N. Am. Corp.*, 299 F.3d 1313, 1330, 63 USPQ2d 1374, 1384 (Fed. Cir. 2002).

We find that Scripps has failed to establish that Nemerson had a best mode.

We further find that Scripps has failed to establish that Nemerson improperly failed to disclose any known best mode.⁸³

Comment

One can seldom prove a best-mode violation without discovery, and one can seldom get discovery in interferences because one doesn't know in advance what one is going to get. See Gholz, Patent Interferences -- Big Ticket Litigation With No Effective Discovery, 4 Intellectual Property Today No. 9 at page 10 (1997). This, of course, often just kicks the issue over to the follow-on 35 USC 146 action.

C. Fraud During Pre-Interference Prosecution

Ginter v. Benson⁸⁴

Ginter v. Benson, 79 USPQ2d 1234 (PTOBPAI 2005) (non-precedential) (opinion by

⁸³ 78 USPQ2d at 1029; footnote omitted.

⁸⁴ My colleagues Michael Casey and Todd Baker and I represented Benson.

APJ Lee joined by APJ Medley; concurring opinion by APJ Torczon), is one of those rare cases in which the board found that an applicant (Benson) has committed fraud. The issue was non-disclosure of a reference (“the CITED report”) that the panel found to have been material. There are three very interesting holdings of general applicability.

First, Benson argued, inter alia, that it had intended to cite the reference after the first office action, but then it just forgot to do so. However, according to the panel, that is impermissible:

Deliberately withholding material prior art until after the application has been examined is the antithesis of having candor and good faith in dealing with the USPTO....

Benson’s counsel argues ... that “there is nothing wrong with waiting to cite even a material reference ... until after the first office action,” citing *Stephens v. Tech International, Inc.*, 393 F.3d 1269, 1276, 73 USPQ2d 1369, 1374 (Fed. Cir. Dec. 29, 2004):

Third, the fact that no Information Disclosure Statement (“IDS”) accompanied the '222 application is not, standing alone, evidence of wrongdoing. Spectrum was permitted to file an IDS, if deemed material, at any point during the prosecution of the application. *See* 37 C.F.R. 1.56(a) (2000).

The *Stephens* case does not stand for the proposition suggested by Benson that under 37 CFR §1.56 an applicant may discover material prior art and then deliberately withhold it from the USPTO until after the application has been examined in a first office action. There is no telling when an applicant might come to possess material prior art. It may be at any point during the pendency of an application. Therefore, it makes perfect sense that

prior art may be disclosed to the USPTO at anytime [sic; any time], but subject to the duty of candor and good faith which is also expressly provided in 37 CFR §1.56.⁸⁵

Second, Benson argued that the inventors had discharged their duty of candor by bringing the CITED report to the attention of the Swedish patent agent who drafted their application and who oversaw the initial stages of U.S. prosecution. Not so, said the panel:

To the extent that Benson suggests that[,] once the inventors Greg Benson and Gregory Urich brought the CITED report to the attention of their Swedish patent agent, Cecelia Perklev, they have satisfied their duty of disclosure, or at the very least have shown good faith in disclosing the CITED report, the argument is of no help to Benson for several reasons. First, because the Swedish patent agent Cecelia Perklev also has a duty of disclosure, which has not been discharged, it does not matter if it is acceptable for inventors to bring material prior art only to the attention of their patent agent or attorney. Secondly, Benson cites no authority for the proposition that inventors themselves may discharge their duty of disclosure by bringing material prior art only to the attention of their patent agent or attorney, and we are aware of none. Note that 37 CFR §1.56(d) provides only that individuals *other than* the attorney, agent, or inventor may comply with the duty of disclosure by disclosing information to the attorney, agent, or inventor, and not that inventors may comply with the duty of disclosure by disclosing information to the attorney or agent. Furthermore, bringing prior art to the attention of the patent agent cannot discharge any duty of disclosure where, as here, the inventors and the patent agent collectively made the decision to withhold that prior art from the USPTO (Fact Finding 37).⁸⁶

⁸⁵ 79 USPQ2d at 1250.

⁸⁶ 79 USPQ2d at 1251.

Third, Benson argued that the Swedish patent agent was not culpable because the U.S. application had been removed from her supervision during prosecution. Again, not so according to the panel:

Finally, we reject Benson's argument that[,] once responsibility for the U.S. application was transferred from Cecelia Perklev's Swedish patent firm to the patent firm KMOB in the United States, Cecelia Perklev as the former patent agent had no more responsibility to disclose prior art under 37 CFR §1.56, even prior art that she had concluded as presenting a patentability problem but had not yet disclosed to either the U.S. counsel or the USPTO. By its direct language, the duty of disclosure under 37 CFR §1.56 is a continuing duty over time. In pertinent part, 37 CFR §1.56 states:

The duty to disclose information
exists with respect to each pending claim
until the claim is cancelled or withdrawn
from consideration, or the application
becomes abandoned. (Emphasis added.)

Undoubtedly, Cecelia Perklev is a person associated with the preparation of the patent application filed in the United States on January 31, 1996. That is not disputed by Benson. Once the duty attaches, 37 CFR §1.56 does not provide for extinguishment of that duty if and when the attorney or agent does no further work in the application or if responsibility for the application is later transferred to another attorney or agent as is argued by Benson. Benson cites no authority which holds that the duty of disclosure under 37 CFR §1.56, once it attaches, is extinguishable by docket reassignment within the same firm or even between different firms. We hold that it most certainly does not extinguish for prior art already reviewed and evaluated by the attorney or agent and which has been determined to pose a patentability problem for the invention sought to be patented, like the CITED report.⁸⁷

⁸⁷ 79 USPQ2d 1251-52.

Comment

Since this decision is the subject of a 35 USC 146 in which I represent Benson's assignee, I will not comment on the panel's holdings.

XII. COURT REVIEW OF DECISIONS IN INTERFERENCES

A. A District Court Handling a 35 USC 291 Interference Need Not Define a Count

Medichem, S.A. v. Rolabo, S.L.

I wrote up Slip Track Systems, Inc. v. Metal-Lite, Inc., 304 F.3d 1256, 64 USPQ2d 1423 (Fed. Cir. 2002), under the heading "A District Court Handling a 35 USC 291 Patent-Patent Interference Should Determine One of More Counts." Gholz, A Critique of Recent Opinions in Patent Interferences, 85 JPTOS 401 (2003) at § X.K.

I'll stick with the "should" language. However, in Medichem, S.A. v. Rolabo, S.L., 437 F.3d 1157, 77 USPQ2d 1875 (Fed. Cir. 2006) (opinion by C.J. Gajarsa for a panel that also consisted of CJ's Schall and Dyk), the court held that a district court handling a 35 USC 291 interference doesn't have to define a count.

According to the Federal Circuit's opinion:

This court had not yet addressed "whether district courts handling interfering patent suits under § 291 must define this interfering subject matter in a way similar to a count." Slip Track Sys., Inc. v. Metal-Lite, Inc., 304 F.3d 1256, 1264 (Fed. Cir. 2002). Nevertheless, we have made clear that at least "a single description of the interfering subject matter is necessary for a determination of priority." Id.

That said, Slip Track does not require a court to refer explicitly to the interfering subject matter as a “count,” and we believe that in this case the district court was clear about the identity of the interfering subject matter, stating in its opinion “all of the various claims of the ‘827 patent are essentially identical to one another and substantially the same as claim 2 of Medichem’s patent.”⁸⁸

Comment

The district court was anything but “clear”! However, the Federal Circuit obviously didn’t want to remand the case to the district court for the second time.

B. Remand Problems

Kaufman v. Levinson

Kaufman v. Levinson, 77 USPQ2d 1476 (PTOBPAI 2005) (non-precedential) (APJ Torczon for a panel that also consisted of APJs Schafer and Lane), contains the following sour observation:

The utter disregard for the district court’s order, controlling statutes and rules, and sound agency practice lead[s] inexorably to the conclusion that the conduct of this proceeding has gone horribly awry. A second unmistakable conclusion is that neither the district court nor the Board has been well served. The Board generally endeavors to make sense of district court orders following § 146 review. Unfortunately, party-drafted orders

⁸⁸ 437 F.3d at 1168, 77 USPQ2d at 1872.

following some sort of settlement have increasingly become difficult to reconcile with statutes, rules, and administrative practice. The fault lies not with the generalist district court: it reasonably expects to be able to rely on the representations of counsel. *Cabilly v. Boss*, 60 USPQ2d 1725 (BPAI 2001). Instead, as in this case, the fault lies with the counsel involved.⁸⁹

However, according to counsel for Levinson:

After I had filed an appeal of the Board's decision in the district court, the opponent filed an answer saying they did not oppose my obtaining the relief I sought, and so the Solicitor's office intervened. Upon telling the Solicitor's office that I would be willing to file a SIR to end the entire matter, they told me that they had informally talked to the APJs, and while they would not commit to vacate part of their earlier decision, they were willing to consider it if we filed a SIR. On that basis, we agreed to dismissal without prejudice. The Solicitor's office asked that we tell them when we filed the SIR so they could communicate with the Board. We did what they said, and then were blindsided by the decision now reported in the USPQ2d. Another case of the left hand not knowing what the right hand was doing. Upon explaining the situation and filing papers from the appeal in the record, the Board provided the relief the Solicitor's office said the Board would

⁸⁹ 77 USPQ2d at 1479.

probably provide, and the case ended favorably for us.

Comment

I think that the take-home lesson here is that, notwithstanding what the Federal Circuit had to say about their relationship to the Commissioner in In re Alappat, 33 F.3d 1526, 1533-34, 31 USPQ2d 1545, 1547-48 (Fed. Cir. 1994) (en banc) (opinion by Rich, C.J.), the APJs do not consider themselves bound by agreements negotiated with the Solicitor. Moreover, at a bare minimum, any such agreement should be reduced to writing and a copy filed with the board before you act on it.

C. Issues Not Decided by the Board Because “Moot” Must Be Remanded to the Board if the Board is Reversed as to the Issues That It Did Decide

Brown v. Barbacid

In Brown v. Barbacid, 436 F.3d 1376, 77 USPQ2d 1848 (Fed. Cir. 2006) (opinion by CJ Newman for a panel that also consisted of CJs Rader and Prost), the board had entered judgment against Brown on the ground that it had not proved diligence during the critical period and had dismissed Barbacid’s “motion challenging the patentability of Brown’s claims, deeming this aspect ‘moot’ because of the award of priority to Barbacid.”⁹⁰ Brown asked the court “to take up this issue ‘in the interests of judicial economy,’ expressing concern about the time already consumed in this interference proceeding and the delay of a further remand.”⁹¹ The court noted that the interference had been pending for over ten years. Nevertheless, it declined Brown’s request:

⁹⁰ 436 F.3d at 1382-83, 77 USPQ2d at 1853.

⁹¹ 436 F.3d at 1383, 77 USPQ2d at 1853.

we must agree with Barbacid that the question of patentability cannot be decided *ab initio* on appeal. See In re Lee, 277 F.3d 1338, 1345 [61 USPQ2d 1430, ___] (Fed. Cir. 2002) (“review of an administrative decision must be made on the grounds relied on by the agency”). Although we deplore the lengthy pendency of this proceeding, on remand the Board may decide whether further proceedings as to this issue are warranted.⁹²

Comments

(1) The Board’s habit of deciding interferences based on the minimum possible number of motions and then dismissing all of the other motions as moot is, in my opinion, its single most annoying habit.

(2) See also, Goliath Hundertzehnte V. mbH v. Yeda Research & Development Co., ___ F. Supp. 2d ___, 68 USPQ2d 1703 (D.C.D.C. 2003), and 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).

D. On Remand From a District Court in a 35 USC 146 Action, There Is Nothing More for the Board to Do Except Enter an Order Implementing the Final Order of the District Court

Beam v. Chase⁹³

The order published in Beam v. Chase, 78 USPQ2d 1959 (PTOBPAI 2005) (non-precedential) (SAPJ McKelvey, not joined by any other APJ), was VACATED in response to

⁹² 436 F.3d at 1383, 77 USPQ2d at 1853.

⁹³ I represented Chase on a request for reconsideration.

Chase's request for reconsideration! For a full discussion of what really happened, see Gholz, When (If Ever) Is the Judgment of a District Court in a 35 USC 146 Action Binding on the Board?, 13 Intellectual Property Today No. 5 at page 30 (2006).

E. In a 35 USC 146 Action, Discovery Is Not Limited to Issues Presented to and Decided by the Board

University of Massachusetts v. Roslin Institute⁹⁴

University of Massachusetts v. Roslin Institute, 437 F. Supp. 2d 57, 79 USPQ2d 1527 (DCDC 2006) (Urbina, D.J.), was an action under 35 USC 146. The university sought discovery concerning certain issues, and Roslin sought a protective order on the ground that those issues had not been presented to (and, hence, had not been decided by) the board. Judge Urbina did not decide whether Roslin's characterization of the university's discovery request was correct. Rather, he held that the university was entitled to that discovery even if Roslin's characterization was correct because:

the proper scope of discovery is broader than the scope of admissible evidence, and includes any matter "relevant to the claim or defenses of any party," Fed. R. Civ. P. 26(b)(1). What's more, "[r]elevant information need not be admissible at the trial if the discovery appears reasonably calculated to lead to the discovery of admissible evidence." *Id.*; *Food Lion, Inc. v. United Food & Comm'l Workers Int'l Union*, 103 F.3d 1007, 1012 (D.C. Cir. 1997); *see also Smith v. Schlesinger*, 513 F.2d 462, 473 n.37 (D.C. Cir. 1975)(noting that "a party may discover information which is not admissible at trial if such information will have some probable effect on the organization and presentation of the moving party's case").⁹⁵

⁹⁴ I was local counsel for the University of Massachusetts.

⁹⁵ 437 F. Supp at 61, 79 USPQ2d at 1529-30.

Interestingly, Judge Urbina also said that:

A mere showing that discovery may involve inconvenience and expense will not meet this threshold requirement [for a showing of good cause for a protective order]. *Lehnert v. Ferris Faculty Ass'n-NEA-NEA*, 556 F. Supp 136, 318 (W.D. Mich. 1983).⁹⁶

Comment

Judge Urbina's holding should be contrasted with Judge Pechman's unreported holding in *Trustees of Dartmouth College v. Immunex*, No. 03-2676P (W.D. Wash. July 28, 2004).

XIII. POST-INTERFERENCE PRACTICE

A. The Board Does Not Have to Remand an Application to the Examiner After Termination of a 35 USC 146 Action

Noelle v. Armitage

By analogy to the Federal Circuit's remanding cases to the appropriate district court after action by the Supreme Court, one might think that the board has to remand an application to the examiner after decision in a 35 USC 146 action. However, not so--according to *Noelle v. Armitage*, 77 USPQ2d 1639 (PTOBPAI 2005) (non-precedential) (APJ Torczon, not joined by any other APJ):

Noelle sought review of the Board's judgment against Noelle by way of a civil action under 35 U.S.C. 146 (Paper 93). Armitage has filed a certified copy of the district court's 28 June 2004 order (Paper 95) "that Idec is dismissed with prejudice as to all claims and issues in this action." This order is understood to

⁹⁶ 437 F. Supp at 61, 79 USPQ2d at 1529.

end without modification all judicial review of the final judgment against Noelle.

Armitage requests (Paper 94) “termination of the above-identified interference and ... that the file be transferred to the Ex Parte Examiner to finalize prosecution.” The request is DISMISSED as moot with respect to the request for termination because nothing remains to be done for the interference to be terminated.

ORDERED that Armitage’s involved application file be released to the patent examining corps for such further action as may be proper....⁹⁷

Comments

The reader is also referred to my write-up of Beam v. Chase, Int. No. 103,836, in Gholz, When (If Ever) Is the Judgment of a District Court in a 35 USC 146 Action Binding on the Board?, 12 Intellectual Property Today No. 5 at page 30 (2006). In that opinion, SAPJ McKelvey makes the same point--but in much more colorful language.

⁹⁷ 77 USPQ2d at 1640.

XIV. RELATIONSHIP OF INTERFERENCE PROCEEDINGS TO COURT PROCEEDINGS

A. The Board Asserts Jurisdiction to Enter a Judgment in a 35 USC 135 Interference That Is Contrary to a Previous Judgment in a 35 USC 291 Interference

Stampa v. Jackson

They've done it. In 2004, I wrote up an interlocutory decision in this interference, Stampa v. Jackson, 65 USPQ2d 1942 (PTOBPAI 2002) (non-precedential) (APJ Tierney, not joined by any other APJ), under the heading "A Pending 35 USC 291 Patent-Patent Interference Does Not Preclude an APJ from Declaring a 35 USC 135(a) Interference," Gholz, A Critique of Recent Opinions in Patent Interferences, 86 JPTOS 464 (2004) at 491-94. Since then, the district court entered judgment in Stampa's favor⁹⁸--and the board has now entered judgment in

⁹⁸ Notwithstanding what the Federal Circuit had to say in a previous appeal from the district court about the relative competence of district courts to handle 35 USC 291 interferences and the board to handle 35 USC 135 interferences. See Gholz, A Critique of Recent Opinions in Patent Interferences, 86 JPTOS 464 (2004), at § XIV.B, "35 USC 135(a) Interferences Are Preferable to 35 USC 291 Patent-Patent Interferences As a Consequence of the Board's Expertise in Interference Matters."

Note that the Federal Circuit reversed the District Court's holding, citing the board's opinion with approval. Medichem, S.A., v. Rolabo, S.L., 437 F.3d 1157, 77 USPQ2d 1865 (Fed. Cir. 2006), discussed in § IX. A., supra.

Jackson's favor. Stampa v. Jackson, 77 USPQ2d 1105 (PTOBPAI 2005) (non-precedential) (opinion by APJ Lorin for a panel also consisting of SAPJ McKelvey and APJ Schafer).⁹⁹

Obviously, the situation was extremely delicate, and the panel's opinion begins with an unusually long discussion of the facts and the law, no doubt designed to show what a wretched botch the Federal District Court judge had made of the case. Turning then to the inconsistent judgment in the 35 USC 291 proceeding, Judge Lorin wrote:

We appear to reach a result opposite from that reached by the United States District Court for the Southern District of New York in *MediChem, S.A. v. Rolabo, S.L.*, Civ. Action No. 01-CV-3087 (JSR).¹⁰⁰

Indeed. However, according to Judge Lorin, that was all right because:

In the prior finding, the District Court stated that "both documents and the testimony and evidence of Medichem's reduction to practice of its invention in the Spring of 1996 is so strong as to overcome any doubt that the court may have had in this regard. However, we have been unable to determine the precise reasoning leading it to the Court's conclusion."¹⁰¹ We do

⁹⁹ If you're wondering how the board assumed authority to second guess a Federal District Court judge handling a patent-patent interference, see Gholz, Tierney Interferences, 12 Intellectual Property Today No. 9 at page 31 (2005).

¹⁰⁰ 77 USPQ2d at 1120; footnote omitted.

¹⁰¹ Translation: The District Court judge's opinion made no damn sense.

not know whether the evidence that led the Court to that conclusion is the same as the evidence before us. Also, it is not entirely clear to us what the Court defined to be interfering subject matter.¹⁰²

Comments

(1) I'll say this for the APJs: They have chutzpah.

(2) The Federal Circuit did not say that the District Court judge should have deferred to the board. However, it noted that:

While appellant does not argue that the Board decision had a binding effect on this court, Board decisions nevertheless represent the views of a panel of specialists in the area of patent law.¹⁰³

¹⁰² 77 USPQ2d at 1121; footnote omitted.

¹⁰³ 437 F.3d at 1163, 77 USPQ2d at 1868-69.