

Should the Prima Facie Case Include a Showing of the  
Lack of Suppression Or Concealment?<sup>1</sup>

By

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and  
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Introduction

According to 37 CFR 41.202(a):

An applicant, including a reissue applicant, may suggest an interference with another application or a patent. The suggestion must:

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(4) Explain in detail why the applicant will prevail on priority....

However, that rule and its predecessors have never been interpreted as requiring the applicant to explain (or at least preliminarily prove) that it will actually “prevail on priority” after the opponent’s priority evidence has been considered. What it means is that the suggestion of interference must make a prima facie showing that the applicant can at least beat the opponent’s filing date or presumptive effective filing date for the target claim(s) if the opponent submits no evidence attacking the applicant’s prima facie showing.<sup>4</sup>

In practice, the examiner to whom the suggestion is submitted can assert that the target claim(s) is or are entitled to the benefit of a filing date earlier than the filing date that the suggestion alleges that it is or they are entitled to and earlier than the invention date(s) evidenced by the applicant’s showing. If so, that issue can be thrashed out (preliminarily) ex parte (including on appeal). If and only if the applicant is ultimately successful in persuading the examiner (or the board, the Federal Circuit, or the DCDC in

a 35 USC 145 action) that the target claim(s) is or are only entitled to the benefit of a filing date that applicant's prima facie showing beats (and, of course, if all the other requirements for a suggestion of interference are met), the examiner will initiate the process of recommending to the board that it declare an interference. If the interference is ultimately declared, the examiner's (or the board's or a court's) determination that the target claim(s) is or are only entitled to the benefit of a filing date that the applicant's prima facie showing beats will not be binding on the opponent.<sup>5</sup>

Usually the question in such cases is whether the applicant can make a prima facie showing of inventive activity that is early enough. But what if the inventive activity was too early? Case law establishes that an applicant is entitled to redact dates on exhibits submitted with its showing.<sup>6</sup> What if the redacted dates are so early that, if known to the examiner to whom the suggestion of interference was submitted (or an APJ considering whether or not to declare an interference), they would raise a question of 35 USC 102(g) suppression or concealment?<sup>7</sup>

Preliminarily, note that "abandoned" means one thing, described at length in Judge Rich's classic opinion in In re Gibbs, 437 F.2d 486, 168 USPQ 578 (CCPA 1971), whereas "suppressed, or concealed" means something entirely different, described (also at length) in Judge Torczon's excellent didactic opinion in Kundu v. Raganathan, 73 USPQ2d 1180 (PTOBPAI 2002) (non-precedential). However, as Judge Torczon explained in Kundu, the case law does not make any significant distinction between suppression and concealment.

#### Paulik v. Rizkalla

The facts in Paulik v. Rizkalla, 760 F.2d 1270, 226 USPQ 224 (Fed. Cir. 1985)

(in banc), 796 F.2d 456, 230 USPQ 434 (Fed. Cir. 1986) (after remand),<sup>8</sup> illustrate the problem. In outline form, those facts were:

	<i>Paulik Dates</i>	<i>Rizkalla Date</i>
November 1970	Actual reduction to practice and submission of a “Preliminary Disclosure of Invention” to the patent department of the assignee	
January or February 1975	An agent in the patent department of the assignee began work on the application	
		March 10, 1975 Effective Filing Date
June 30, 1975	Effective filing date	

Rizkalla, the senior party, stood on its filing date. Paulik offered evidence of its activities relating to preparation of its patent application between January and June of 1975, but the board held that that evidence was only evidence of attorney diligence and accordingly was “of no significance” because Paulik was “not the last to reduce to practice.”<sup>9</sup>

The majority of the in banc court held that, even though an interferent has “suppressed, or concealed” an actual reduction to practice, it is entitled to rely on resumed activities (i.e., activities occurring after the period of suppression) to establish priority of invention. Of course, Paulik was the last to constructively reduce to practice and therefore would have been entitled to rely on its evidence of attorney diligence if it hadn’t also, inexplicably, chosen to prove its own actual reduction to practice in November 1970--thereby both inviting the suppression or concealment argument and ensuring that it could not rely on its evidence of attorney diligence!<sup>10</sup>

What makes Paulik interesting here, however, is speculation about what didn't happen, but might have. 37 CFR 1.204(c), in effect at that time, provided in relevant part that:

When the effective filing date of an applicant is more than 3 months subsequent to the effective filing date of the patentee, the applicant, before the interference will be declared, shall file two copies of affidavits or declarations by himself, if possible, and by one or more corroborating witnesses, supported by documentary evidence if available, each setting out a factual description of acts and circumstances performed or observed by the affiant, which collectively would prima facie entitle him to an award of priority with respect to the effective filing date of the patent.

Suppose that if, instead of redacting the dates on that “documentary evidence,” Paulik had left those dates in, visible to the examiner. Would have (should have) the examiner recommended the declaration of an interference to the board? And, if he or she had done so, should the EIC (as the APJs were then called) who declared the interference have placed Paulik under a 37 CFR 1.228 order to show cause why judgment should not be entered against it without putting the parties to the expense of a full-blown interference?<sup>11</sup>

### What Should Be Done Today?

37 CFR 41.100 et seq. provide spectacularly less guidance than did either 37 CFR 1.201 et seq. or 37 CFR 1.601 et seq. In fact, a cynic might say that the only really important rules are 37 CFR 41.104(a) and (b), which read as follows:

(a) The Board may determine a proper course of conduct in a proceeding for any situation not specifically covered by this part and may enter non-final orders to administer the proceeding.

(b) An administrative patent judge may waive or suspend in a proceeding the application of any rule in this subpart, subject to such conditions as the administrative patent

judge may impose.

In our opinion, the facts in Paulik provide an excellent illustration of the inequities of the current date-redaction practice. If Paulik hadn't been able to redact the dates on the documentary evidence that it submitted with its request for an interference (as what is now called a suggestion of interference was then called), the examiner might never have recommended to the board that it declare the interference, and, even if he or she had done so, the EIC would presumably have immediately placed Paulik under an order to show cause why judgment shouldn't be entered against it. While the exact period of delay required to give rise to a presumption of suppression or concealment is, regrettably, entirely unclear,<sup>12</sup> surely the four year seven month period involved in Paulik would have given rise to that presumption.

So, we have three recommendations:

(1) The PTO should amend its rules to forbid the redaction of dates in the documentary evidence submitted with suggestions of interference and authorize examiners to refuse to forward suggestions of interference to the board if the period of delay exceeds one year and the applicant does not adequately rebut the presumption of suppression or concealment arising from that delay.

(2) If the PTO does amend its rules to forbid the redaction of dates in the documentary evidence submitted with suggestions of interference, but an examiner recommends the declaration of an interference anyway where the period of delay exceeds one year, the APJ to whom the prospective interference is assigned should declare the interference but place the applicant under an immediate 37 CFR 41.202(d)(2) order to show cause why judgment should not be entered against it--even if the examiner has been persuaded that the applicant adequately rebutted the presumption of suppression or

concealment arising from that delay.

(3) If the PTO does not amend its rules to forbid the redaction of dates in the documentary evidence submitted with suggestions of interference, and an examiner has recommended the declaration of an interference based on documentary evidence containing redacted dates, when the interference is declared the APJ to whom the case is assigned should, pursuant to his or her power under 37 CFR 41.104(a) and (b), simultaneously order the applicant to submit unredacted copies of those documents (perhaps for in camera inspection) and, if the period of delay exceeds one year, then place the applicant under a 37 CFR 41.202(d)(2) order to show cause why judgment should not be entered against it.

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<sup>4</sup> Kuslich v. Hochschuler, 75 USPQ2d 1594, 1596-97 (PTOBPAI 2004) (citing Comment 107 in the Notice of Final Rule, 69 Fed. Reg. 49960, 49985 (Aug. 12, 2004)).

<sup>5</sup> Sze v. Bloch, 458 F.2d 137, 140-41, 173 USPQ 498, 500-01 (CCPA 1972) (“We see no merit to appellant’s contention [that a previous ex parte decision by the board is binding

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in a subsequent interference]. His position in that regard is so vulnerable that we hardly know where to begin discussing it.”).

<sup>6</sup> Nathans v. Greene, 82 USPQ2d 1600, 1602 (PTOBPAI 2006) (nonprecedential) (“while a showing under 37 CFR §41.202(d) may redact dates with respect to conception and actual reduction to practice, when diligence (an issue of fact) is alleged[,] dates must be included[--] otherwise there is no basis for assessing whether diligence occurred.”).

<sup>7</sup> 35 USC 102 provides in relevant part that:

A person shall be entitled to a patent unless --

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(g)(1) during the course of an interference conducted under section 135 or section 291, another inventor involved therein establishes, to the extent permitted in section 104, that before such person’s invention thereof the invention was made by such other inventor and not abandoned, suppressed, or concealed, or (2) before such person’s invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it. [Emphasis added.]

<sup>8</sup> Mr. Gholz discussed the two opinions in Paulik in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 69 JPTOS 657, 658-63 (1987), in § II.A., “The Effect of Suppressing or Concealing an Actual Reduction to Practice.”

<sup>9</sup> 760 F.2d at 1272, 226 USPQ at 224.

<sup>10</sup> If Paulik had not proved its own actual reduction to practice, Rizkalla would presumably have attempted either to prove that it “entered the field” (i.e., conceived the invention) before the onset of Paulik’s attorney diligence, thereby making that evidence “of no significance,” or attempted to persuade the panel that Paulik had not proved continuous attorney diligence. As to the latter, see Ginter v. Benson, Pat. Interference

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No. 105,142, Decision on Priority December 28, 2005, Paper No. 319, p. 142 (four-day break in attorney diligence held to be too much).

<sup>11</sup> 37 CFR 1.228 read in relevant part as follows:

When an interference is declared on the basis of a showing under § 1.204(c), such showing will be examined by an Examiner of Interferences. If the Examiner considers that the facts set out in the showing provide sufficient basis for the interference to proceed, the interference will proceed in the normal manner as provided by the regulations in this part; otherwise an order shall be entered concurrently with the notice of interference pointing out wherein the showing is insufficient and notifying the applicant making such showing that summary judgment will be rendered against him because of such insufficiency at the expiration of a period specified in the notice, not less than 30 days, unless cause be shown why such action should not be taken. In the absence of a showing of good and sufficient cause, judgment shall be so rendered.

The present-day analog of 37 CFR 1.228 is 37 CFR 41.202(d), which reads as follows:

Requirement to show priority under 35 U.S.C. 102(g).  
(1) When an applicant has an earliest constructive reduction to practice that is later than the apparent earliest constructive reduction to practice for a patent or published application claiming interfering subject matter, the applicant must show why it would prevail on priority.

(2) If an applicant fails to show priority under paragraph (d)(1) of this section, an administrative patent judge may nevertheless declare an interference to place the applicant under an order to show cause why judgment should not be entered against the applicant on priority. New evidence in support of priority will not be admitted except on a showing of good cause. The Board may authorize the filing of motions to redefine the interfering subject matter or to change the benefit accorded to the parties.

<sup>12</sup> See Gholz and Wilcox, Proving Peeler Diligence is Unnecessarily Difficult -- and Unnecessarily Costly, 14 Intellectual Property Today No. 9 at page 35 (September 2007).



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