

# INTERFERENCE ISSUES THAT WOULDN'T BE HANDLED BY THE PROPOSED LEGISLATION<sup>1</sup>

by

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## Introduction

In 1990, I published an article entitled “How the United States Currently Handles Interference Issues That Will Remain in a First-to-File World”<sup>3</sup> in an issue of the AIPLA Quarterly Journal entitled Interference Issues in a First-to-File World. In it, I discussed six issues: derivation, inventorship disputes among former colleagues, interfering cases naming the same inventive entity but filed by different parties, interleaving priorities, improvidently issued patents, and cases having the same effective filing date. The proposed legislation<sup>4</sup> handles derivation by setting up a new species of 37 CFR 41, Subpart D, “Contested Case” called a “Derivation Proceeding.” The proposed derivation proceedings are, in my opinion, a good but flawed start. And, how about the other issues that I discussed in that long-ago article?

## Derivation

H.R. 1908 essentially continues interferences insofar as they deal with derivation issues, but with two important exceptions.

First, proposed 35 USC 135(a)(1)(A), “REQUEST FOR PROCEEDING,” provides that:

An applicant [including, of course, a reissue applicant] may request initiation of a derivation proceeding to determine the right of the applicant to a patent by filing a request that sets forth with particularity the bases for finding that another applicant derived the claimed invention from the applicant requesting the proceeding and, without authorization, filed an application claiming such invention. [Emphasis supplied.]

Does that mean that the first applicant can only request a derivation proceeding with another

applicant rather than with a patentee?

Apparently not, for proposed 35 USC 135(a)(1)(B)(i) provides in pertinent part that:

Any request under subparagraph (A)--

(i) may only be made within 12 months after the earlier of--

(I) the date on which a patent is issued [apparently to the other applicant] containing a claim that is the same or substantially the same as the claimed invention....

However, it would be nice if Congress cleaned up the language in proposed 35 USC (a)(1)(A) before passing the proposed legislation.

Moreover, I don't like the 12 month limitation. If a patentee derived the invention from another, why should the other not have access to a derivation proceeding to cancel one or more claims from the deriver's patent if the derivee doesn't realize that he, she, or they have been knocked off until more than a year after the patent issued?<sup>5</sup>

Second, the second half of proposed 35 USC 135(a)(1)(B)(i) would really cause problems. Proposed 35 USC 135(a)(1)(B)(i) also provides that:

Any request under subparagraph (A)--

(i) may only be made within 12 months after the earlier of

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(II) the date of first publication of an application containing a claim that is the same or is substantially the same as the claimed invention....

The problem is the same as the problem with present 35 USC 135(b)(2): published applications frequently contain unexamined nonsense claims. There is no redeeming social value to forcing applicants to request derivation proceedings with such claims at peril of otherwise being forever

precluded from obtaining a claim to an invention that the applicant is otherwise entitled to claim.<sup>6</sup>

### Inventorship Disputes Among Former Colleagues

A derivation situation involves patents or applications naming non-overlapping sets of inventors--e.g., a case of the style A v. B. The situation that I am discussing here involves patents or applications naming overlapping sets of inventors--e.g, a case of the style A v. B and A. The classic example is Van Otteren v. Hafner, 378 F.2d 738, 126 USPQ 151 (CCPA 1960). A more recent example is Sewall v. Walters, 21 F.3d 411, 30 USPQ2d 1356 (Fed. Cir. 1994) (Rich, C.J.).

The problem here is that proposed 35 USC 135(a)(1)(C) says that:

Whenever the Director determines that patents or applications for patents naming different individuals as the inventor interfere with one another because of a dispute over the right to patent on the basis of a request under subparagraph (A), the Director shall institute a derivation proceeding for the purpose of determining which applicant is entitled to a patent.

First, the last phrase seems to contemplate only a proceeding between two applicants.

Second, the BPAI should be making this determination, not the Director. Saying that the Director is to make this determination (as present 35 USC 135(a) does) gives the executive branch of the PTO altogether too much discretion. Moreover, with the exception of a tiny minority of high profile cases, it really is the APJs who make that decision at present.

Third, would the A v. B and A situation be covered? That is, would the presence of A on both sides of the “v.” mean that the two cases<sup>7</sup> didn’t “nam[e] different individuals as the inventor”?

## Interfering Cases Naming the Same Inventive Entity But Filed By Different Parties

In my 1990 article, I wrote of this situation that:

The PTO's problem is that, at least in the past, it has refused to recognize this as an interference situation.<sup>8</sup>

In that section of my article, I discussed various non-interference techniques for dealing with this situation.

In the intervening years, the Federal Circuit has ruled (very emphatically) that indeed this is not an interference situation. The case in point is Beech Aircraft Corp. v. EDO Corp., 990 F.2d 1237, 26 USPQ2d 1572 (Fed. Cir. 1993) (Rich, C.J.), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 76 JPTOS 649 (1994) at §V.A., “There is a Difference Between Determining Which of Two Rival Company Claimants Owns an Invention and Determining Which of Two Rival Inventive Entities Made the Invention First, and the Board Has Jurisdiction to Decide the Priority Issue Despite the Pendency of District Court Litigation Over Title Between the Assignees of the Parties Before It.” Accordingly, the reader of this article is referred to my discussion of non-interference techniques for dealing with this situation in my 1990 AIPLAQJ article.

## Interleaving Priorities

This all-too-common situation is one that the proposed legislation will definitely not deal with. Of course, in theory, patent examiners, federal judges, and juries will all be able to figure out which of two or more interfering patent applications or patents is entitled to which priority date, for which claim. However, in real life, that obviously won't be true. And, in the situation where two or more applications are being handled by different examiners, it is obviously the case that the different examiners may come to inconsistent conclusions.

The forgoing consideration led me to the following conclusion in my 1990 article:

If the attempt is made to relegate these situations to independent ex parte proceedings, with the examiners handling each application citing the other party's published application as a reference and each party attempting to antedate the reference under 35 U.S.C. Section 119 and/or 35 U.S.C. Section 120, the possibility of mutually inconsistent results becomes unacceptably high. Moreover, mutually inconsistent results are not merely a burden and an inconvenience to the two parties directly involved. Far more importantly, mutually inconsistent results would subject third parties to the risk of multiple liability--or, at a bare minimum, to the risk of multiple litigation.

For the foregoing reasons, I think that we will need to keep interferences to deal with this situation.<sup>9</sup>

I still believe that. However, the proposed legislation is "attempt[ing]...to relegate these situations to independent ex parte proceedings..." No doubt, chaos will ensue--albeit only in the relatively few cases where multiple independently owned applications and/or patents claim interfering subject matter. So, would it be too much to ask that some interference-like proceeding be created to deal with this situation?

### Improviently Issued Patents

This is another situation that the proposed legislation will definitely not deal with. Moreover, this situation is probably even more common than the situation discussed in the previous section.

As I wrote in my 1990 article:

No doubt in a perfect world all applications having interfering claims would be examined by the same examiner; all applications would be examined and, where appropriate, would issue in the order of their effective filing dates; examiners would always notice interfering claims; and we attorneys would always agree with the examiners concerning which claims do and do not interfere with each other. However, we do not live in a perfect world, and none of the foregoing is true in the world in which we do live. Accordingly, with distressing frequency patents issue to one company which, in the opinion of an attorney for a second company, have one or more claims that interfere with one or more

claims in an application or a patent owned by the second company that, at least in the opinion of the attorney for the second company, has a senior effective filing date.<sup>10</sup>

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Since a switch to a first-to-file system will not end the issuance of allegedly improvidently issued junior patents, we will continue to need some technique for resolving all of those issues [my article discussed several] except pre-filing invention dates. Thus, we must either retain our current technique for resolving those issues or come up with another technique for doing so.<sup>11</sup>

Nothing has changed much since I wrote those words. We still need a PTO technique for dealing with this situation.

#### Cases Naming Non-Overlapping Sets of Inventors But Having the Same Effective Filing Date

As I said in my 1990 article, “This is probably the rarest of the situations discussed in this Article.”<sup>12</sup> At that time, I had only two opinions to discuss, and I’m not aware of any others that have come down since then.<sup>13</sup> However, my conclusion then remains equally valid today:

In an event, as Examiner-in-Chief Rollins’s article<sup>14</sup> makes very clear, we have not heard the last on this point even under our current law.<sup>15</sup>

#### Conclusion

While I am very much in favor of going to first-inventor-to-file, more thought should be given to the five issues discussed in this article which are not dealt with by the proposed legislation.

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<sup>3</sup> 18 AIPLAQJ 1 (1990).

<sup>4</sup> While I realize that all of the proposals in play are subject to change, I focus on H.R. 1908. I am not aware of any difference among the various proposals that is relevant to this article.

<sup>5</sup> See, e.g., Stark v. Advanced Magnetics, Inc., 119 F.3d 1551, 43 USPQ2d 1321 (Fed. Cir. 1997), involving a joint inventor who didn't realize that he had been intentionally left off a valuable patent until more than a year after it had issued.

<sup>6</sup> Note: this problem could be ameliorated by holding that the nonsense claims are not “substantially the same as” the claims in the requestors’ applications.

<sup>7</sup> “Case” is the convention generic term for either a patent or an application involved in an interference.

<sup>8</sup> 18 AIPLAQJ at 8.

<sup>9</sup> 18 AIPLAQJ at 10-11; footnotes omitted.

<sup>10</sup> 18 AIPLQJ at 11.

<sup>11</sup> 18 AIPLQJ at 12.

<sup>12</sup> 18 AIPLQJ at 13.

<sup>13</sup> In cases such as Sewall v. Walters, discussed supra, the parties are frequently given the same effective filing date (because the second-to-file applicant files as a continuation or continuation-in-part of the first-to-file’s application), but those cases have overlapping sets of inventors. Also, Oka v. Youssefseh, 841 F.3d 581, 7 USPQ2d 1169 (Fed. Cir. 1998), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 71 JPTOS 439 (1989) § II.E., “The Effect of of Ties in Invention Dates” in not such a case because only one of the invention dates was a filing date.

<sup>14</sup> Rollins, Ties Go to the Runner, 69 JPTOS 407 (1987).

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<sup>15</sup> 18 AIPLQJ at 14.