

What Excuses for Inactivity During a Classical Diligence Period Are (and Are Not) Good?¹

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Introduction

Classical diligence (as opposed to Peeler diligence⁴) is reasonable diligence from just prior to one's opponent's "entry into the field" (which usually means his or her conception date) to one's own subsequent reduction to practice, either actual or constructive.⁵ In essence, "reasonable diligence" means working pretty darn hard at or

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⁴ So called after Peeler v. Miller, 535 F.2d 647, 190 USPQ 117 (CCPA 1976)(Rich, Associate Judge), and really constituting the absence of 35 USC 102(g) suppression or concealment after an actual reduction to practice.

⁵ See generally Rivise and Caesar, 1 Interference Law and Practice, Chapt. XIII, "Diligence" (1940). For a recent example, see Griffith v. Kanamaru, 816 F.2d 634, 626, 2 USPQ2d 1361, 1362 (Fed. Cir. 1987) ("Griffith is burdened with establishing a *prima*

close to full time, either on reducing the invention in issue to practice (so-called “laboratory diligence”) or on preparing a patent application on the invention in issue (so-called “attorney diligence”)⁶ and proving that the people in question did so on a practically day-to-day basis.⁷ However, no inventive entity consistently works 24 hours/day on an invention, and frequently there are gaps of several days (or even a week or two) in the activity relied on as reasonable diligence.

It is well established that some of those gaps are excusable and that some of those

facie case of reasonable diligence from immediately before Kanamaru’s filing date...until Griffith’s reduction to practice....”).

⁶ An apparent exception to this reasonable proposition is Bey v. Kollonitsch, 806 F.2d 1024, 1029, 231 USPQ 967, 970-71 (Fed. Cir. 1986), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 69 JPTOS 657 (1987), § II.D. “Proving Diligence By Reliance on Activities Outside the Scope of the Count.” Bey accepted evidence of time spent on preparing related applications as evidence of attorney diligence in preparing an application on the invention in issue.

⁷ An apparent exception to this equally reasonable proposition is Monsanto Co. v. Mycogen Plant Science, Inc., 261 F.3d 1356, 59 USPQ2d 1930 (Fed. Cir. 2001), discussed in Gholz, A Critique of Recent Opinions in Patent Interferences, 84 JPTOS 163 (2002), § III.A. “The Absence of Evidence that an Individual Who Was Allegedly Diligently Reducing the Invention to Practice Was Doing Something Else Counts as Evidence that the Individual Was Working Diligently on Reducing the Invention to Practice.”

gaps are inexcusable.⁸ The question explored in this article is: Which are which?

Excuses for Inactivity Which Have Been Accepted

The best news is that vacations have been accepted as excuses for inactivity on the invention. Perhaps the extreme case is Reed v. Tornqvist,⁹ which accepted a scheduled three-week vacation (extended by one week on the ground discussed in the next paragraph) by one joint inventor as an acceptable excuse for inactivity by the other joint inventor. However, an unresolved question is how long a vacation constitutes reasonable diligence? Our guess is that anything up to the length of the vacations taken by the judges is acceptable.¹⁰

An inventor's own illness is an acceptable excuse for inactivity.¹¹ Moreover, Reed v. Tornqvist is also support for the proposition that an illness in an inventor's family (there, the inventor's father) is an acceptable excuse for inactivity. However, the party seeking to excuse inactivity on this basis must account for "the entire period when diligence was required to be exercised."¹²

More surprising is that, at least long ago (we suspect that this excuse might not be

⁸ See Rivise and Caesar, *supra* note 5, at § 195, "Extenuating Circumstances."

⁹ 436 F.2d 501, 503-05, 168 USPQ 462, 464-65 (CCPA 1971).

¹⁰ However, note that the hypothetical diligence table set forth in Cone v. Kain, 79 USPQ2d 1382, 1383 (PTOBPAI 2004) (non-precedential), lists a one-day Friday vacation--i.e., making it clear that the attorney took a three-day weekend. Imagine that.

¹¹ Christie v. Seybold, 55 F. 69, 77, 1893 C.D. 515, 524 (6th Cir. 1893) (Taft, Circuit Judge).

¹² Paul v. Johnson, 23 App. D.C. 187, 190, 1904 C.D. 610, 612 (D.C. Cir. 1904).

accepted today), an inventor's poverty was sometimes accepted as an excuse for not getting on with work on an invention.¹³ A variation on that theme, employable even by companies, is that a delay due to raising capital to fund experiments (as opposed to raising capital to fund commercial exploitation--which is not an acceptable excuse for inactivity¹⁴) is excusable.¹⁵

Another (in our opinion, more legitimate) excuse often successfully relied upon is delay due to waiting for the manufacture by a third party supplier of a special part or synthesis by a third party supplier of a special compound needed to continue work on the

¹³ Christie v. Seybold, supra note 10, 55 F. at 77, 1893 C.D. at 524. See also Gould v. Schawlow, 363 F.2d 908, 919, 150 USPQ 634, 643 (CCPA 1966), which held that "reasonable diligence does not require that one abandon his means of livelihood to further his reduction to practice" and DeWallace v. Scott, 15 App. D.C. 157, 163, 1899 C.D. 416, 420 (D.C. Cir.1899).

¹⁴ Preston v. White, 97 F.2d 160, 165, 37 USPQ 802, 806 (CCPA 1938) ("evidence of efforts toward commercial exploitation of an invention is not evidence of diligence in reducing it to practice.") But see Scott v. Koyama, 281 F.3d 1243, 61 USPQ2d 1856 (Fed. Cir. 2002), criticized in Gholz, A Critique of Recent Opinions in Patent Interferences, 85 JPTOS 401 (2003), § III. A., "Activities Directed to Building a Large-Scale Facility Needed for Commercial Practice of the Process Can Count as Diligence." In our opinion, Scott is just plain wrong.

¹⁵ American Standard Inc. v. Pfizer Inc., 22 F. Supp 86, 112, 14 USPQ2d 1673, 1694 (D. Del. 1989). But contrast Seeberger v. Dodge and Griffith v. Kanamaru, discussed in the next section.

invention.¹⁶ (Unanswered questions here include whether the diligence or lack thereof by the third party is relevant and, if so, whether the burden is on the party seeking to excuse the delay to prove that the third party was diligent or on its opponent to prove that the third party wasn't diligent.) However, waiting for a non-special item readily procurable from other sources will not excuse a delay.¹⁷

Similarly, but in the context of an infringement action, the Federal Circuit suggested that continuously seeking a company capable of actually reducing an invention to practice is enough to establish classical diligence in a situation wherein the named inventor was a medical doctor who was apparently incapable of reducing the invention to practice himself.¹⁸

Related to the foregoing is that “Inactivity can be justified on the basis of ‘reasonable everyday problems and limitations encountered by an inventor,...for example, by the standard schedule established by the...inventors for conducting laboratory tests, and by alleged manpower shortages and equipment breakdowns in the

¹⁶ See, e.g., Keizer v. Bradley, 270 F.2d 396, 399-400, 123 USPQ 215, 216-17 (CCPA 1959) (Rich, Associate Judge).

¹⁷ Fageol v. Midboe, 56 F.2d 867, 869-70, 13 USPQ 30, 32-33 (CCPA 1932).

¹⁸ Mahurkar v. C.R. Bard, Inc., 79 F.3d 1572, 1579, 38 USPQ2d 1288, 1292 (Fed. Cir. 1996), criticized in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 79 JPTOS 271 (1997), § III.A., “Continuously Seeking a Company Capable of Actually Reducing an Invention to Practice May be Enough to Establish Classical Diligence.” Dr. Makurkar’s “continuous” efforts seem to us to have been pretty minimal!

testing laboratory” have been judged acceptable excuses for inactivity.¹⁹ However, reasonableness is in the eye of the beholder, and that proposition should be contrasted with Griffith v. Kanamaru, discussed in the next section.

Another excuse that has been accepted in the past (albeit in the context of an infringement action rather than an interference) but which may not be acceptable any longer is “the uncertainties and confusion attendant in the participation of the United States in...[a war].”²⁰ However, just putting the invention aside to concentrate on “war work” has never been enough.²¹

Finally, the courts have created a special exemption for patent practitioners attempting to prove attorney diligence which does not apply to inventors attempting to prove laboratory diligence. According to Powell v. Poupitch,²² and many subsequent opinions, “diligence does not require that an attorney [or a patent agent] shall drop all of his other work and concentrate on a single invention.... [I]f he has a reasonable backlog of work and takes up his cases in the order in which they are filed [sic; why not in the order in which they are placed on his docket--i.e, handling the work on a strict first-in,

¹⁹ Allied-Signal Inc. v. Allegheny Ludlum Corp., 29 USPQ2d 1039, 1046-47 (D. Conn. 1993).

²⁰ Texas Co. v. Globe Oil & Refining Co., 112 F. Supp. 455, 482, 98 USPQ 312, 333 (N.D. Ill. 1953).

²¹ Adam v. Roth, 173 F.2d 259, 263, 81 USPQ 119, 122 (CCPA 1949).

²² 167 F.2d 514, 77 USPQ 379 (CCPA 1948).

first-out basis?], this is sufficient.”²³ Of course, if the patent practitioner has an unreasonable backlog of work, the burden is on him or her to pass some of that work along to another practitioner.

Excuses for Inactivity Which Have Been Rejected

We’d like to start with a war story--that is, a case which did not result in a published opinion. The client’s production workers went on strike. All of the R&D types were sent to the factory floor to get some products out the door. We argued that that was a reasonable thing to do, since otherwise the client would have gone out of business. However, we lost. The client’s decision to employ R&D types as temporary production workers may have been reasonable business-wise, but it meant that the R&D types weren’t working on the invention. Everybody spends 24 hours/day doing something, and the fact that what a person relied on for diligence was doing was praiseworthy doesn’t mean that it was an acceptable excuse for not working on the invention.

We’d next like to discuss Griffith v. Kanamaru,²⁴ because we think that it was funny. Griffith was a university professor. He alleged that he had reasonably waited for a certain student to return in the fall (the opinion does not indicate whether from vacation or from summer employment) “to assist with the project”²⁵ because “He had promised

²³ 167 F.2d at 517, 77 USPQ at 382. See also Bey v. Kollonitsch, 806 F.3d 1024, 1028, 231 USPQ2d 967, 970 (Fed. Cir. 1986).

²⁴ 816 F.2d 624, 2 USPQ2 1361 (Fed. Cir. 1987), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 71 JPTOS 439 (1989), § II.A., “Excuses for Non-Activity During a Classical Diligence Period.”

²⁵ 816 F.2d at 627, 2 USPQ2d at 1362.

her she could have that task which she needed to qualify for her degree.”²⁶ That excuse didn’t fly. According to the court:

[Griffith] does not suggest that Ms. Jenkins was the only person capable of carrying on with the...experiment. We can see no application of precedent to suggest that the convenience of the timing of the semester schedule justifies a three-month delay for the purpose of reasonable diligence.²⁷

Heck, we would hope that the professor could even have carried out the experiment himself!

Griffith’s application was assigned to the Cornell [University] Research Foundation, Inc. Griffith argued that,

notwithstanding Cornell University's extraordinary endowment, it is reasonable, and as a policy matter desirable, for Cornell to require Griffith and other research scientists to obtain funding from outside the university.²⁸

According to the opinion,

The crux of Griffith's argument is that outside funding is desirable as a form of peer review, or monitoring of the worthiness of a given project. He also suggests that, as a policy matter, universities should not be treated as businesses, which ultimately would detract from scholarly inquiry.²⁹

This argument was emphatically rejected. When a university enters the commercial arena, it is a business. However, we cannot distinguish this holding from the (we believe)

²⁶ Id.

²⁷ 816 F.2d at 627, 2 USPQ2d at 1363.

²⁸ 816 F.2d at 627, 2 USPQ2d at 1362.

²⁹ 816 F.2d at 627, 2 USPQ2d at 1363.

contrary holding in American Standard Inc. v. Pfizer Inc.,³⁰ discussed in the previous section.

As stated in the previous section, Seeberger v. Dodge³¹ is authority for the proposition that delays due to raising capital for commercial exploitation are not excusable delays. However, Quad Six Inc. v. Hall,³² although it is an infringement action rather than in interference, is authority for the proposition that a party cannot be found “not to be diligent because commercial development is a secondary result of an apparently otherwise valid delay.”³³

Interestingly, the inventor’s doubt about the value or feasibility of his or her conception is not an acceptable excuse for inactivity.³⁴ That is, inventors must diligently attempt to reduce to practice even inventions that they don’t think will work at peril of creating a break in the continuity of their diligence.

Perhaps most importantly to our everyday practice, unexplained gaps in an attorney’s preparation of an application defeats continuous diligence.³⁵ As an extreme

³⁰ 22 F. Supp 2d 86, 112, 14 USPQ2d 1673, 1694 (D. Del. 1989).

³¹ 24 App. D.C. 476, 484-86, 1905 C.D. 603, 608-09 (D.C. Cir. 1905). Seeberger relies on the fact that, if the inventor didn’t have enough money of his own to exploit his invention commercially, he at least had enough money to file a patent application on it, but did not do so for a lengthy period of time.

³² 5 USPQ2d 1700 (S.D. Tex. 1987).

³³ 5 USPQ2d at 1708; emphasis supplied.

³⁴ Christie v. Seybold, supra note 10, 55 F. at 77, 1893 C.D. at 524.

³⁵ Scharmann v. Kassel, 179 F.2d 991, 997, 84 USPQ 472, 477 (CCPA 1950).

example of this, see Ginter v. Benson³⁶--holding that an unexplained four-day gap in the attorney's work defeated reliance on attorney diligence!

Conclusion

According to Griffith v. Kanamaru, "A review of caselaw [sic] on excuses for inactivity in reduction to practice reveals a common thread that courts may consider the reasonable everyday problems and limitations encountered by an inventor."³⁷ However, our review of the case law persuaded us that it does not offer a good predictor for what excuses for inactivity will and will not be accepted--except, perhaps, in the unlikely event that one's facts really are indistinguishable from those in a previous case. Rather, we came away from our study of the case law with the impression that, if one has any excuse at all, it is worth giving it a try. One never knows, does one?

³⁶ Interference No. 105,142.

³⁷ Griffith, supra note 5, 816 F.2d at 626, 2 USPQ2d at 1362.