

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This article covers precedential and interesting non-precedential opinions relating to interferences published since those covered in my previous annual critique of interference opinions published at 90 JPTOS 9 (2008).³ This article covers interference opinions published in volumes 85-88 of the USPQ2d.

There were many fewer published interference opinions this year than in the recent past. Consequently, this annual critique is much shorter than it has been recently.

II. CONCEPTION

Nothing interesting this year.

III. CLASSICAL DILIGENCE

Nothing interesting this year.

IV. ACTUAL REDUCTION TO PRACTICE

Nothing interesting this year.

³See also 89 JPTOS 5 (2007) (covering 2006), 88 JPTOS 317 and 305 (2006) (covering 2005), 88 JPTOS 25 and 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). The fact that I publish this critique every year in a similar format accounts for the sections which read in their entirety “Nothing interesting this year.”

V. SUPPRESSION OR CONCEALMENT AND PEELER DILIGENCE⁴

Nothing interesting this year.

VI. CONSTRUCTIVE REDUCTION TO PRACTICE

Nothing interesting this year.

VII. DERIVATION

Nothing interesting this year.

VIII. THE 35 USC 135(b) BARS

Nothing interesting this year.

IX. CORROBORATION

Nothing interesting this year.

X. INTERFERENCE PRACTICE

A. Pre-Interference Mechanics

Nothing interesting this year.

⁴ So called after Peeler v. Miller, 535 F.2d 647, 653-54, 190 USPQ 117, 122 (CCPA 1976)

(Rich, J.). Peeler diligence is diligence during the period from one's own actual reduction to practice to one's own constructive reduction to practice, and it is really the absence of 35 USC 102(g) suppression or concealment after an actual reduction to practice. The standards for Peeler diligence are very low.

B. Board Mechanics

1. The Interference Estoppel Effect of a Request for Entry of Adverse Judgment

Dawson v. Dallavalle

In Dawson v. Dallavalle, 85 USPQ2d 1540 (PTOBPAI 2007)(non-precedential)(opinion by SAPJ McKelvey for a panel that also consisted of APJs Schafer and Moore), Dawson filed a “motion to concede priority”—which the panel of course treated as a request for entry of adverse judgment. However, in that “motion” it attempted to “minimize or possibly obviate the application of...[interference estoppel]”⁵ by attempting to impose “reservations”⁶ concerning the post-interference effect of its request for entry of adverse judgment on an application to reissue its patent in interference which it had not yet filed but intended to file. That was a ba-a-ad idea.

The SAPJ summarized the panel’s disposition of those attempted reservations as follows:

If a reissue is filed, the Examiner is free to ignore the reservations attempted to be made by Dawson in the motion conceding priority. If (1) a reissue is filed and (2) a rejection is made, then Dawson can then contest the rejection—but not before.⁷

Comment

This is not a new issue. See Gholz, A Critique of Recent Opinions in Patent Interferences, 85 JPTOS 401 (2003) § X.G., “An Interferent that Requests Entry of Adverse Judgment Cannot ‘Reserve’ Rights for Later,” discussing Eli Lilly and Co. v. Cameron, 61 USPQ2d 1863 (PTOBPAI 2001)(non-precedential), and Gholz, A Critique of Recent Opinions in Patent Interferences, 89 JPTOS 5 (2007) § X.B.2, “An Interferent That Requests Entry of

⁵ 85 USPQ2d at 1542.

⁶ 85 USPQ2d at 1542.

⁷ 85 USPQ2d at 1542.

Adverse Judgment Cannot ‘Reserve’ Rights for Later,” discussing Shustack v. Szum, 78 USPQ2d 1566 (PTOBPAI 2005) (precedential). The APJs appear to be getting annoyed by such attempts.

C. Responses to Orders to Show Cause

Nothing interesting this year.

D. Motions, Oppositions, and Replies

1. There is a Severe Limitation on the Number of Claims that One Can Ask to Add in a Responsive Motion

Wnek v. Dobbs⁸

Wnek v. Dobbs, 85 USPQ2d 1159 (PTOBPAI 2006) (non-precedential) (opinion by APJ Tierney for a panel that also consisted of APJs Lane and Medley), limited Dobbs to presenting three new claims in response to Wnek’s motion seeking judgment that all twelve of Dobbs’s original claims were unpatentable under 35 USC 135(b). Only three of Dobbs’s original claims were in independent form, but Dobbs had sought authorization to present revised versions of all of its claims. There was no issue over whether the proposed revised claims were responsive to Wnek’s motion. That is, they did not introduce any patentability issues beyond an attempt to overcome Wnek’s 35 USC 135(b) motion.

Dobbs relied on In re Wakefield, 422 F.2d 897, 164 USPQ 636 (CCPA 1970), which reversed an ex parte multiplicity rejection on the ground that, if an applicant pays the required fees and otherwise complies with the statute, it is entitled to examination of as many claims as it cares to present--even if that requires “tedious work” by the examiner.

However, what applies to an examiner does not necessarily apply to an APJ. According

⁸ My partner James Kelly and I represented Dobbs.

to the panel, “the default number of claims to be added in a responsive motion is one (1).”⁹

Moreover, the mere fact that Dobbs wanted to, in effect, rewrite all of its original claims cut no ice with the panel:

As to Dobbs’ request for twelve (12) claims, Dobbs’ [sic; Dobbs] has failed to demonstrate that, based on the facts of this interference, it requires twelve additional claims to properly respond to Wnek’s §135(b) unpatentability motion. Specifically, Dobbs’ citation to *Wakefield* and its holding regarding an ex parte multiplicity rejection fails to provide a sufficient explanation as to why the particular facts of this interference demonstrate that Dobbs’ [sic; Dobbs] is entitled to the relief it requests. Accordingly, we deny Dobbs’ request to add twelve additional claims as opposed to the authorized three.¹⁰

The only good news was that the panel denied Dobb’s motion to rewrite all twelve of its original claims “without prejudice to Dobbs’ seeking to file additional claims when ex parte prosecution resumes subject to the estoppel provisions of Bd. R. 127(a)(1).”¹¹

Comment

No one likes to do “tedious work,” and the APJs are in a position to avoid having to do so until such time as an interferent, like the applicant *Wakefield*, make an issue of their having done so on appeal.

2. The Board Has Authority to Decide Ex Parte Matters in Interferences

Enzo Therapeutics, Inc. v. Yeda Research & Development Co.¹²

Enzo Therapeutics, Inc. v. Yeda Research & Development Co., 477 F.Supp.2d 699

⁹ 85 USPQ2d at 1160.

¹⁰ 85 USPQ2d at 1160.

¹¹ 85 USPQ2d at 1160.

¹² My colleagues Frank West, Ken Wilcox, and Alex Gasser and I were co-counsel for Yeda.

(E.D.Va. 2007) (D.J. Doumar) (not reported in USPQ), was a 35 USC 146 action seeking review of a decision by the BPAI denying Enzo's outcome determinative motion for the benefit of the filing date of an earlier application. That decision turned on the board's denial of Enzo's petition to revive that application so as to be co-pending with the next application in a long chain of applications. Enzo argued that its petition to revive was an ex parte matter and that, hence, it should have been decided by the Petitions Office rather than the board. The court disagreed:

Despite Enzo's arguments...the regulatory scheme governing PTO procedures is most instructive on the question of jurisdiction in § 1.137(b) petitions. Petitions practice before the Board is governed by 37 C.F.R. § 41.3, which provides the Board with authority to decide "petitions on matters pending before the Board (§§ 41.35, 41.64, 41.103, and 41.205)." 37 C.F.R. § 41.3(b). Although §§ 41.35, 41.64, and 41.205 have no application to this case, § 41.103 does. It provides as follows:

The Board acquires jurisdiction over any involved file when the Board initiates a contested case. Other proceedings for the involved file within the Office are suspended except as the Board may order.

37 C.F.R. § 41.103. A "contested case" is any "Board proceeding other than an appeal under 35 U.S.C. § 134 or a petition under § 41.3." 37 C.F.R. § 41.2 (2006). Thus, an interference under 35 U.S.C. § 135 constitutes a "contested case." Consequently, § 41.103 applies and the Board, upon declaring an interference, acquires jurisdiction over all petitions filed by the parties, including § 1.137(b) petitions. Accordingly, the Board was authorized at law to decide Enzo's Petition to Revive.¹³

Comment

Giving the board authority to decide what would otherwise be ex parte issues once an interference has been declared undoubtedly leads to bureaucratic economy. However, it means that very different standards will be applied. As I warned in my discussion of one of the board's

¹³ 477 F. Supp. 2d at 714.

decisions under review in this 35 USC 146 action, Gholz, A Critique of Recent Opinions in Patent Interferences, 89 JPTOS 1 (2007), in § X.E.4., “The Standards Are Higher in Interferences.”

3. The Board Must Grant the Occasional Mulligan

Enzo Therapeutics, Inc. v. Yeda Research & Development Co.¹⁴

Enzo Therapeutics, Inc. v. Yeda Research & Development Co., 477 F.Supp.2d 699 (E.D.Va. 2007) (D.J. Doumar) (not reported in USPQ2d), was a 35 USC 146 action seeking review of a decision by the BPAI denying Enzo’s outcome determinative motion for the benefit of the filing date of an earlier application. That decision turned on the board’s denial of Enzo’s petition to revive that application so as to be co-pending with the next application in a long chain of applications. After the board had found that Enzo had failed to make out a prima facie case in support of its motion for benefit, Enzo sought a second chance to do so. The board denied that request, tartly observing that:

A party who fails to make out a prima facie case in its motion is not entitled to a Mulligan.... To allow a party to effectively start over unduly increases the costs, both time and monetary, to the Office and to the opponent.¹⁵

However, Judge Doumar disagreed:

While this Court recognizes the merits of judicial speed and economy, it also recognizes that some litigants need not lose the tournament even if they shoot a bogey. As an initial matter, forfeiture, or "the loss of a vested interest in consequence of a breach of duty," *Sun Lumber Co. v. Thompson Land & Coal Co.*, 138 W. Va. 68, 76 S.E.2d 105, 110 (W. Va. 1953), is strongly discouraged:

¹⁴ My colleagues Frank West, Ken Wilcox, and Alex Gasser and I were co-counsel for Yeda.

¹⁵ Quoted 477 F. Supp. 2d at 717.

Equity looks with disfavor upon forfeitures and will not be quick, active, or alert to see, declare or enforce them. Forfeitures still remain so obnoxious to judicial minds that slight circumstances are eagerly seized to avoid their enforcement when the substantial rights of parties insisting thereon can otherwise be adequately protected.¹⁶

The circumstances of this case do not warrant forfeiture of Enzo's application without leave to amend. The Court finds that the Board too hastily disposed of Enzo's request to amend without full consideration of due process and the resulting forfeiture. Of course, to the extent that the Interference will allocate a single asset between two disputing parties, the Court recognizes that "forfeiture" is inevitable for one of the applicants. However, such a loss should not result without requisite process and deliberation. In this case, forfeiture may follow only after the Board provides Enzo with an opportunity to amend the Petition to Revive and submit additional evidence concerning the facts and circumstances of the allegedly "unintentional delay" resulting in abandonment of the '215 application. Principles of equity and due process demand such an opportunity. Accordingly, the Court **REMANDS** this matter back to the Board so that Enzo may submit additional evidence on the question of unintentional abandonment under § 1.137(b).¹⁷

Comment

As of this writing, the board has not decided the remand.

E. Deposition Mechanics

1. The "Guidelines" Are Rules!

Pevarello v. Lan

Since I already wrote up Pevarello v. Lan, 85 USPQ2d 1771 (PTOBPAI 2007) (non-precedential) (expanded panel) (opinion by SAPJ McKelvey for a panel that also consisted of

¹⁶ 477 F. Supp. 2d at 717.

¹⁷ 477 F. Supp. 2d at 718.

CAPJ Fleming and APJs Schafer, Hanlon, Lane, and Tierney), in an article entitled Guidelines? What Guidelines?, which is published in 14 Intellectual Property Today No. 6 at page 26 (2007), and since a copy of that article is available on Oblon, Spivak, McClelland, Maier, & Neustadt's web site, I will not repeat that analysis here.

F. Burdens of Proof

1. The Board Has Authority to Impose More Exacting Standards in Interferences Than Are Imposed in Ex Parte Practice

Enzo Therapeutics, Inc. v. Yeda Research & Development Co.¹⁸

Enzo Therapeutics, Inc. v. Yeda Research & Development Co., 477 F. Supp. 2d 699 (E.D.Va. 2007) (D.J. Doumar) (not reported in USPQ2d), was a 35 USC 146 action seeking review of a decision by the BPAI denying Enzo's outcome determinative motion for the benefit of the filing date of an earlier application. That decision turned on the board's denial of Enzo's petition to revive that application so as to be co-pending with the next application in a long chain of applications. Enzo relied on the fact that it had filled out the form which, during ex parte proceedings, typically results in semi-automatic grant of petitions to revive abandoned applications on the ground that the abandonment was unintentional. It argued (and Yeda conceded) that, if it had submitted the form ex parte, its petition probably would have been granted.¹⁹

However, the board imposed higher standards, and the court ruled that it had the right to do so:

These regulatory provisions [i.e., 37 CFR 1.137(b)(3) and the MPEP sections expanding on it] articulate the PTO's right to

¹⁸ My colleagues Frank West, Ken Wilcox, and Alex Gasser and I were co-counsel for Yeda.

¹⁹ 477 F. Supp. 2d at 718.

demand evidence concerning the circumstances of unintentional delay beyond the applicant's "magic words." Typically, as little as "copies of correspondence relevant to the period of delay" may suffice. But if the applicant fails to file a § 1.137(b) petition within three months of notification or one year of abandonment, this evidentiary burden may be substantially higher. An "applicant's failure to carry the burden of proof to establish that the 'entire' delay was . . . 'unintentional' may lead to the denial of a petition under . . . 37 CFR 1.137(b), regardless of the circumstances that originally resulted in the abandonment of the application." *Id.* (emphasis added).

To the extent that the Board is authorized by § 41.3 to decide § 1.137(b) petitions, the Board may also determine the appropriate burden of proof to satisfy § 1.137(b)(3). Thus, the Board was wholly within the bounds of its authority to find that the statement by Enzo's lead counsel was inadequate. Although the Board failed to refer to the aforementioned M.P.E.P. and C.F.R. provisions granting it authority to apply a heightened evidentiary standard--***--it was nevertheless authorized to do so. Accordingly, the Board did not abuse its discretion by requiring Enzo to present additional evidence of unintentional delay under § 1.137(b)(3).²⁰

Comment

Inter partes practice is fundamentally different than ex parte practice.

G. Evidentiary Issues

Nothing interesting this year.

H. Discovery

Nothing interesting this year.

I. Settlement

Nothing interesting this year.

²⁰ 477 F. Supp. 2d at 716-17.

J. Riding to the End of the Line

Short v. Patten²¹

There has been no relevant opinion published this year. However, the reader's attention is invited to Gholz, Should an Applicant Interferent Ask to Have as Many as Possible of Its Opponent's Motions Treated as Threshold Motions?, 15 Intellectual Property Today No. 7 at page 18 (2008). That article discusses the BPAI's unpublished opinion in Short v. Patten, Int. No. 105,332, paper No. 64 (opinion by APJ Lane for a panel that also consisted of SAPJ McKelvey and APJ Torczon).

Short v. Patten held that, if a patentee interferent has asked to have both at least one threshold motion and at least one non-threshold motion authorized, but has not asked to have a priority motion authorized, the APJ managing the interference can authorize the threshold motion(s) and defer consideration of whether to authorize the non-threshold motions. Then, if the patentee interferent loses on the authorized threshold motion(s), the managing APJ does not have to decide whether or not to authorize the non-threshold motions, but instead can remand the application to the examining corps for disposition ex parte of the issues raised in the patentee interferent's list of proposed non-threshold motions.

In other words, if the applicant interferent has standing to be in the interference, and if the patentee interferent has conceded that it cannot win as to priority, the board will not decide the patentee interferent's other challenges to the patentability of the applicant interferent's claim. Moreover, it will not even authorize the patentee interferent to litigate those issues inter partes. Specifically, the patentee interferent will not have an opportunity either to submit expert testimony in support of its contentions or to cross-examine the applicant interferent's expert who

²¹ My partner Daniel Pereira and I represented Short.

submits a declaration in opposition to its motions. Accordingly, an examiner will decide the allegedly outcome determinative issues raised by the patentee interferent's proposed non-threshold motions with nothing more from the patentee interferent before him or her than the typically very brief outline of those issues contained in the patentee interferent's list of proposed motions,.

For the reasons developed in my article entitled Would You Rather Have Your Opponent's Patentability Issues Decided Inter Partes or Ex Parte?, 14 Intellectual Property Today No. 10 at page 37 (2007), an applicant is normally more likely to obtain allowance of its claims in interference in post-interference ex parte examination than it is to obtain a judgment during the interference that its opponent has failed to prove the unpatentability of its claims. However, Short v. Patten stands for the proposition that, if a patentee interferent does not ask for authorization to file a priority motion in the second phase of an interference, it will not be allowed to "ride to the end of the line" in the first phase of the interference. That of course biases patentee interferents to seek authorization to file priority motions even in cases where they would not otherwise do so.

K. Arbitration

Nothing interesting this year.

XI. PATENTABILITY ISSUES ARISING IN AN INTERFERENCE CONTEXT

Nothing interesting this year.

XII. COURT REVIEW OF DECISIONS IN INTERFERENCES

A. The Director is Not a Proper Party in a 35 USC 146 Action Unless He or She Intervenes

Enzo Therapeutics, Inc. v. Yeda Research & Development Co.²²

The second paragraph of 35 USC 146 provides that:

The Director shall not be a necessary party [to a 35 USC 146 action,] but he shall be notified of the filing of the suit by the clerk of the court in which it is filed and shall have the right to intervene.

Despite this rather clear language, Enzo, the plaintiff in a 35 USC 146 action, named the Director (as well as Yeda, its opponent in the underlying interference) as a defendant. Enzo Therapeutics, Inc. v. Yeda Research & Development Co., 467 F. Supp. 2d 579 (E.D.Va. 2006) (D.J. Doumar) (not reported in USPQ2d). It argued that, while the Director was not a necessary party, he was a proper party.

Judge Doumar conceded that Enzo had a point, asserting that:

Congress injected a healthy dose of ambiguity by including a simple modifier: "necessary." A knee-jerk interpretation of such a rhetorical modification might lead one to conclude that while the Director may not be a necessary party, he may, in fact, be a "proper" party. With such a conclusion, one might further deduce that the plain language of § 146 does not immunize the Director from private suit, as the Director so vehemently asserts. But while statutes may be oftentimes be construed as their plain meaning may dictate, this is not always the case, especially where competing evidence warrants alternative constructions.²³

However, he found such "competing evidence" in legal precedent,²⁴ the legislative history of 35

²² My colleagues Frank West, Ken Wilcox, and Alex Gasser and I were co-counsel for Yeda.

²³ 467 F. Supp. 2d at 588.

²⁴ Notably, Coe v. Hobart Mfg. Co., 102 F.2d 270, 40 USPQ 326 (D.C. Cir. 1939), and Case v. Comm'r, 485 F. Supp. 1013 (D. Mass. 1980) (not reported in the USPQ).

USC 146,²⁵ and a statement to that effect in “[a] reputable treatise.”²⁶

Comment

Note that the second paragraph of 35 USC 146 says that the Director “shall have the right to intervene.” That is, the Director has the right to become involved in a 35 USC 146 action if he or she wants to do so, and the Director does so from time to time in cases involving the institutional interests of the PTO. However, the Solicitor’s Office’s travel budget is limited, so it seldom does so. Compare In re Van Geuns, 946 F.2d 845, 20 USPQ2d 1291 (Fed. Cir. 1991), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 75 JPTOS 448 (1993), § III. A., “An Un defended Appeal from a Holding of Invalidity or Unpatentability in an Interference Is Treated Like an Appeal in an Ex Parte Case,” and In re Emert, 124 F.3d 1458, 44 USPQ2d 1149 (Fed. Cir. 1997), discussed in Gholz, A Critique of Recent Opinions of the Federal Circuit in Patent Interferences, 80 JPTOS 321 (1998), § XII. C., “In a Case Where the Winning Interferent Did Not Participate in the Appeal, the Court Ordered the Solicitor to Submit a Brief Supporting the Board’s Holding.”

B. Both or All Parties Should Notify the Board of Judicial Review

Evans v. Eaton²⁷

²⁵ S. Rep. No. 1979, U.S. Code Cong. & Ad. News, 82nd Cong. 2nd Session, p. 2416 (1952), states that the sentence quoted at the outset of this write-up “is new and prevents such suits [i.e., 35 USC 146 actions] from being filed against the Commissioner as a defendant; however, the Commissioner has the right to intervene.

²⁶ 467 F. Supp. at 591, citing 7 Wright et al., Federal Practice and Procedure § 1614 (3rd ed. 2001).

²⁷ My colleagues Michael Casey, Andrew Ollis, and Frank West and I represented Eaton.

Old rule 37 CFR 1.660(d) provided that:

A party in an interference shall notify the Board promptly of any litigation related to any patent or application involved in an interference, including any civil action commenced under 35 U.S.C. 146. [Emphasis supplied.]

However, new rule 37 CFR 41.8(b) provides that:

For contested cases, a party seeking judicial review of a Board proceeding must file a notice with the Board of the judicial review within 20 days of the filing of the complaint or the notice of appeal. [Emphasis supplied.]

Evans v. Eaton, 85 USPQ2d 1382 (PTOBPAI 2006) (non-precedential) (opinion by APJ Moore, not joined by any other APJ), was decided under the old rules. Nevertheless, it is instructive.

Evans's real party-in-interest had filed a 35 USC 145 action, but neither party filed a 37 CFR 1.660(d) notice. Although Evans was the party that had sought judicial review, APJ Moore chastised both parties:

The parties failed to comply with 37 CFR §660(d) (1995) requiring prompt notice to the Board (an additional requirement to the notice of appeal) of any litigation in that the record is devoid of any notice of litigation.²⁸

Comment

Although 37 CFR 41.8(b) now places the burden to file a notice of court review squarely on the party seeking court review, it is still a good idea for an opponent of that party to file such a notice if the party that should have filed it does not do so. As explained in SO 8.3:

After a contested case ends, administrative tasks remain for the United States Patent and Trademark Office [Office] generally and for the Board particularly. Files need to be distributed, applications need to be allowed or abandoned, and notices of patent claim cancellation need to be published. If the Board does

²⁸ 85 USPQ2d at 1383; emphasis supplied.

not receive timely, effective notice of judicial review, it proceeds on the assumption that no review has been sought. The Office may deem an application abandoned or may issue a patent to the opponent. At best, this leaves the litigant with a problem to correct. Failure to provide adequate notice may result in sanctions under Bd.R. 128.

That is, there really is a good reason why the board should be notified of court review.²⁹ So, if your opponent fails to do it, don't remain silent (in hopes that the Board will sanction your opponent). Do it for him or her!

C. Failure to File a 37 CFR 41.8(b) Notice Excused

Jurgovan v. Ramsey

Notwithstanding the sharp language contained in the opinion discussed in the previous section, in Jurgovan v. Ramsey, 86 USPQ2d 1447 (PTOBPAI 2006) (non-precedential) (opinion by APJ Medley, not joined by any other APJ), the APJ excused the failure of the party that had filed a 35 USC 146 action to file a timely 37 CFR 41.8(b) notice although that party's only excuse was that it was that party's "mistaken belief that it was the district court's sole responsibility to do so [pursuant to 35 USC 146's requirement that "The Director...shall be notified of the filing of the suit by the clerk of the court in which it is filed..."]."³⁰ Judge Medley explained the fallacy of Ramsey's "belief" as follows:

A party should not assume that someone else will notify the Board of judicial review sought. The requirements of 35 U.S.C.

²⁹ As two real life examples of such problems, see McKechnie Vehicle Components USA, Inc. v. Lack Industries, Inc., 122 Fed. Appx. 482, 486-87 (Fed. Cir. 2005) (non-precedential), and its aftermath, Beam v. Chase, 81 USPQd 1602 (PTOBPAI 2006), and Bernardy v. Powell, 82 USPQ2d 1045 (PTOBPAI 2006).

³⁰ 86 USPQ2d at 1448.

§146 provide that the *Director*, not the Board, shall be notified of the filing of the suit by the clerk of the court. While notice to the Director may result in Board notification of the judicial review sought, that is sometimes not the case. There are several events that must occur before the Board can be notified through the §146 route. First, the plaintiff files with the clerk of the court its notice. The clerk of the court is then to notify the Director of the suit. The Director then forwards the notice to the Office of the Solicitor, who may notify the Board. If the Board is notified at all, it may be too late. Files may have been distributed, applications inadvertently issued or abandoned. Thus, due to possible mishaps that could occur in connection with a §146 notice, the Board requires direct and timely notice. *See also* Proposed Rule, 68 Fed. Reg. 66648, 66651 (Nov. 26, 2003).³¹

Comment

One should not assume that the APJs will continue to forgive failure to comply with 37 CFR 41.8(b). As pointed out in the previous section, it is a very reasonable rule.

D. Judge Medley Asserts That She Is Not Bound by a Non-Litigated Consent Judgment in a 35 USC 146 Action Unless It Contains Magic Words

Jurgovan v. Ramsey

In Bernardy v. Powell, 82 USPQ2d 1045 (PTOBPAI 2006) (non-precedential) (opinion by APJ Schafer for a panel that also consisted of SAPJ McKelvey and APJ Torczon), a panel of the board asserted that the board is not bound by a non-litigated consent judgment in a 35 USC 146 action. See 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).

However, in Jurgovan v. Ramsey, 86 USPQ2d 1447 (PTOBPAI 2006) (non-precedential) (opinion by APJ Medley, not joined by any other APJ), Judge Medley backed off from that position at least to the extent of conceding that she would be bound by a consent judgment if (and only if) it “clearly reflect[ed] at least one of the [5 USC] §706 bases for setting aside the

³¹ 86 USPQ2d at 1448.

Board's decision."³² Since persuading a responsible Federal judge to approve a consent judgment that contains such a recitation will likely not be easy, in an article discussing Jurgovan my co-author and I concluded as follows:

we think that the practical effect of Judge Medley's opinion will be to require such settlements to be on the basis of uncontested motions for summary judgment rather than simply presenting for signature a consent judgment reciting one or more of those bases.

Gholz and Tarcu, If You Settle a 35 USC 146 Action With a Stipulated Judgment, What Should

³² 86 USPQ2d at 1448. 5 USC 706 reads in relevant part as follows:

To the extent necessary to decision and when presented, the reviewing court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of an agency action. The reviewing court shall—

* * * * *

(2) hold unlawful and set aside agency action, findings, and conclusions found to be—

(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

(B) contrary to constitutional right, power, privilege, or immunity;

(C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right;

(D) without observance of procedure required by law;

(E) unsupported by substantial evidence in a case subject to sections 556 and 557 of this title or otherwise reviewed on the record of an agency hearing provided by statute; or

(F) unwarranted by the facts to the extent that the facts are subject to trial de novo by the reviewing court.

In making the foregoing determinations, the court shall review the whole record or those parts of it cited by a party, and due account shall be taken of the rule of prejudicial error.

It Say?, 15 Intellectual Property Today No. 8 at page 18 (2008).

Comment

The APJs seem confused as to which way the food chain in the Federal judiciary runs.

E. The Court in a 35 USC 146 Action Has Discretion to Restrict Admission of Evidence That Was Not Presented to the Board

Cell Genesys Inc. v. Applied Research Systems ARS Holding³³

One of the most important and longest standing questions in interference law is just what kind of additional evidence can one add to the administrative record during the course of a 35 USC 146 action. As discussed in the previous section, one can apparently put in some additional evidence, at least as to issues that were raised during the administrative phase of the interference. But what does the word “issues” mean in this context? When, if ever, can one put in evidence (and argue) an issue that wasn’t raised during the administrative phase? And, most importantly, does the Article III judge handling a 35 USC 146 action have discretion to refuse to admit some or all of the additional evidence proffered by either party because he or she believes that the party proffering that evidence has no satisfactory excuse for not having submitted that evidence during the administrative phase, during which the Article I APJs could have subjected the evidence to an initial evaluation?

In Cell Genesys Inc. v. Applied Research ARS Holding N.V., 499 F. Supp.2d 59, 85 USPQ2d 1739 (D.Mass. 2007), Judge Wolf of the District Court for the District of Massachusetts, went into the third question in lengthy and scholarly detail.

First noting the dissonance among previous opinions treating the subject, Judge Wolf concluded as follows:

³³ My partner Frank West and I were co-counsel for Applied Research.

“In a contest between two claimants to the same invention on an issue of priority[,] each is expected to produce all the testimony he has on that issue so that the Patent Office tribunals and the courts may make right decisions. If for some reason of his own a party withholds evidence which is available to him and which he can produce at will but does not produce, then he must be regarded as having abandoned that evidence in its bearing on the issue under trial. When that issue is decided[,] it is somewhat in the nature of res judicata as to the evidence withheld.”

Id. [Velsicol Chemical Corp. v. Monsanto Company, 579 F.2d 1038, 198 USPQ 584 (7th Cir. 1978)] at 1044 (quoting Barrett [Co. v. Koppers Co., 22 F.2d 395 (3rd Cir. 1927)], 22 F.2d at 397). Consistent with this reasoning, in *Velsicol* the Seventh Circuit wrote that:

In seeking the proper standard for waiver of the right to present new evidence in a §146 proceeding, we must be guided by the strong policy considerations underlying the *Barrett Co. v. Koppers Co.* doctrine. We agree with the statement of the court in *Kirschke v. Lamar*, 426 F.2d 870, 874 [165 USPQ 679] (8th Cir. 1970), that “(t)he viability of the administrative process presupposes that pertinent and available testimony will be presented before the appropriate administrative body.”

Id. at 1045.

This court agrees that it is important that the parties be required to present all available evidence to the Board at the outset of the patent interference process. The Board is an expert body and has the primary responsibility for deciding patent interferences. In recognition of this, deference is due to its decisions in appeals taken directly to the Federal Circuit. See *Dickinson [v. Zurko]*, 527 U.S. 156, 50 USPQ2d 1930 (1999).], 527 U.S. at 161.³⁴

Comment

Judge Wolf’s excellent opinion is marred by his repeated assertions that the APJs never hear live testimony. This assertion is simply wrong. See the BPAI’s standing order at § 157.3.4,

³⁴ 499 F. Supp. 2d at 71-72, 85 USPQ2d at 1743.

“Live Testimony.” While the use of that procedure is rare (and it did not take place in this case), it does take place from time to time.

XIII. POST-INTERFERENCE PRACTICE

A. Issue Not Decided by the Board Because “Moot” May be Remanded to the Board By a District Court if the Board is Reversed as to the Issues That It Did Decide

Enzo Therapeutics, Inc. v. Yeda Research & Development Co.³⁵

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 means that, if the district court in a 35 USC 146 action reverses the board as to the issues that it did decide, it must decide whether to remand the interference to the board or to go ahead and decide the other issues without the benefit of the board’s analysis. In Enzo Therapeutics, Inc. v. Yeda Research & Development Co., 477 F. Supp. 2d 699 (E.D.Va. 2007) (D.J. Doumar) (not reported in USPQ), yet another district judge decided that the more prudent course (not to mention the one leading to the quickest disposition of the 35 USC 146 action) is to remand:

In defining the precise scope of this proceeding and summary judgment, the decision of *Kochler v. Mustonen*, 774 F. Supp. 641 (D.D.C. 1991), is instructive:

This Court has jurisdiction over this claim pursuant to 35 U.S.C. § 146, which provides that a party who has exhausted administrative remedies before the Board may file a civil action in federal district court. The Court’s jurisdiction permits trial of a patent interference claim de novo, including the production of testimony and cross-examination not produced before the Board.... Nonetheless, the scope of the federal court’s review is limited to the Board’s decision.... [T]his Court lacks jurisdiction over any claim for relief on the merits of the underlying interference claim. The only question

³⁵ My colleagues Frank West, Ken Wilcox, and Alex Gasser and I were co-counsel for Yeda.

before the Court is whether the Board abused its discretion in denying [the plaintiff's] motions.

Id. at 644 (emphasis added) (citations omitted). Likewise, in *Goliath Hundertzehnte Vermoegensverwaltungs-Gessellschaft mbH v. Yeda Research and Development, Inc.*,...[68 USPQ2d 1703 (D.C.D.C. 2003)], the district court precluded consideration of issues not decided by the Board at the interference proceeding, reasoning as follows:

According to the Federal Circuit, "the public interest in ensuring that only those patents that claim patentable subject matter are issued and maintained is best served when a district court considering review of a decision of the Board resolves all issues of priority and patentability that have been raised and fully developed." By first allowing the Board to make factual and legal findings, the court can take advantage of the Board's specialized knowledge of the complex patent issues in dispute. Remanding to the Board any unaddressed issues in highly technical cases such as the case at bar "would be consistent with the modern scheme of administrative law in which specialized agencies are responsible for initial decisions of complex factual and legal matters but are accountable on review to Article III judges."

In view of the law, the Board's comparative expertise in developing questions of patentability and priority, and judicial economy, the Court finds that the only questions before it concern the Board's substantive and procedural decisions relating to copendency and the revival of the '215 application. To the extent that any of the parties' claims relating to issues not yet resolved by the Board remain after this proceeding, they will be remanded for further review by the Board.³⁶

XIV. RELATIONSHIP OF INTERFERENCE PROCEEDINGS TO COURT PROCEEDINGS

Nothing interesting this year.

³⁶ 477 F. Supp. 2d at 710-11.

XV. PATENT-PATENT INTERFERENCES

A. Personal Jurisdiction Can Be Established on the Same Basis as in Infringement Actions

Cardica Inc. v. Integrated Vascular Interventional Technologies L.C.

Cardica Inc. v. Integrated Vascular Interventional Technologies, L.C., 87 USPQ2d 1619 (N.D. Cal. 2008) (Armstrong, D.J.) (not reported in F. Supp. 2d), holds that, because “[a]n interference action is a species of invalidity action,”³⁷ the same standards for finding personal jurisdiction as apply in patent infringement actions (in which invalidity can be, but is not necessarily, an issue) apply in 35 USC 291 patent-patent interferences. Specifically, the California court held that it had personal jurisdiction over IVIT in this 35 USC 291 action because IVIT had “sen[t] two representatives to California to demonstrate the technology underlying [sic; underlying] the ‘268 patent”³⁸; had “solicit[ed]...investment in the related technology in California”³⁹; and had “enter[ed] into contracts with various consultants in California.”⁴⁰ In support of that holding, the court relied on Electronics for Imaging, Inc. v. Coyle, 340 F.3d 1344, 67 USPQ 1940 (Fed. Cir. 2003), a patent infringement case in which, according to the district court, “the Federal Circuit relied on precisely such activity in the context of a patent invalidity claim [sic; defense] to find...[personal jurisdiction over the defendant].”⁴¹

³⁷ 87 USPQ2d at 1622; footnote quoting 35 USC 291 omitted.

³⁸ 87 USPQ2d at 1622.

³⁹ 87 USPQ2d at 1622.

⁴⁰ 87 USPQ2d at 1622.

⁴¹ 87 USPQ2d at 1622

Comment

The fact that the court called an interference “a species of invalidity action”⁴² is particularly interesting in light of the BPAI’s insistence that interferences are declared for the purpose of deciding priority--which implies that they are priority disputes rather than validity disputes. Of course, validity is not always an issue in either infringement actions or interferences (whether before the BPAI or before a district court).

XVI. CONCLUSION

This article is much shorter than it has been in the past years because the board has been submitting fewer opinions in inter partes cases to the editors of the USPQ than it did in past years. However, there is reason to believe that the board will shortly resume submitting more inter partes opinions to the USPQ for publication. Since its published opinions provide invaluable guidance to the interference bar, that would be a welcome development.

⁴² 87 USPQ2d at 1622