

A POSSIBLE SOLUTION TO THE AGILENT V. AFFYMETRIX PROBLEM¹

By

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Introduction

Agilent Technologies, Inc. v. Affymetrix, Inc., 567 F.3d 1366, 91 USPQ2d 1161 (Fed. Cir. 2009)(hereinafter referred to as “Agilent”)(opinion by Circuit Judge Rader for a panel that also consisted of Circuit Judge Mayer and Circuit Judge Posner of the Seventh Circuit, sitting by designation),³ held that a copied claim⁴ must be interpreted in light of the specification of the target patent or application when deciding a motion for a judgment that the copied claim lacks 35 USC 112(1) written description support in the specification of the targeting application. However, Agilent also cited Rowe v. Dror, 112 F.3d 473, 42 USPQ2d 1550 (Fed. Cir. 1997)(hereinafter referred to as “Rowe”)(opinion by Circuit Judge Rader for a panel that also included Senior Circuit Judge Friedman and Circuit Judge Lourie), for the proposition that a copied claim must be interpreted in light of the specification of the targeting application when deciding all other motions, notably including motions for a judgment that the copied claim is unpatentable over the prior art. The panel in Agilent based its holding on In re Spina, 975 F.2d 854, 24 USPQ2d 1142 (Fed. Cir. 2009)(hereinafter referred to as “Spina”)(opinion by Circuit Judge Newman for a panel that also consisted of Senior Circuit Judge Cowen and Circuit Judge Lourie)--an opinion which, I believe, dealt with an entirely different and long outmoded practice.

The holdings in Agilent and Rowe of course mean that a copied claim can be interpreted to mean different things (and therefore read on different subject matter) in deciding two different motions in the same interference—or, indeed, in deciding an appeal from two different rejections.⁵ The panel’s holding in Agilent caused consternation in the interference bar.⁶

However, the Federal Circuit has twice emphatically reaffirmed its holding in Agilent: Koninklijke Philips Electronics N.V. v. Cardiac Science Operating Co., 590 F.3d 1326, 93 USPQ2d 1227 (Fed. Cir. 2010)(opinion by Circuit Judge Gajarsa for a panel that also consisted of Chief Circuit Judge Michel and Senior Circuit Judge Friedman)(hereinafter referred to as “Koninklijke Philips”), and Robertson v. Timmermans, 603 F.3d 1309, 94 USPQ2d 1954 (Fed. Cir. 2010)(opinion by Senior Circuit Judge Plager for a panel that also consisted of Circuit Judges Linn and Dyk). More importantly for present purposes, the opinion in Koninklijke Philips can be taken as indicating that there is nothing that the PTO can do about the court’s holding in Agilent:

The district court and the Board’s legal errors stem from a failure to appreciate the consequences of the PTO’s rulemaking authority [or lack thereof]. The PTO lacks substantive rulemaking authority. * * * Unfortunately, the district court and the Board did not heed this court’s prior warnings that PTO regulations disregarding Spina have limited applicability. In 1994, the PTO proposed an amendment to 37 C.F.R. § 1.633(a) – the precursor of 37 C.F.R. § 41.200(b) – to “specify that a claim shall be construed in light of the specification of the application or patent in which it appears.” * * * The PTO explained that “[t]his amendment would administratively set aside the judicially created rule of In re Spina...to the extent it held that the interference rules require that an ambiguous claim copied from a patent for interference purposes be construed in light of the disclosure of the patent.” * * * We remind the district court and the Board that they must follow judicial precedent instead of 37 C.F.R. § 41.200(b) when a party challenges another’s written description during an interference proceeding because the PTO lacks the substantive rulemaking authority to administratively set aside judicial precedent.⁷

In response, the PTO promptly canceled 37 CFR 41.200(b), and the BPAI dutifully interpreted the same claim to mean two different things in reversing two different rejections in Ex parte Smart.⁸

What the Court Said in In re Lovin

In re Lovin, 652 F.3d 1349, 99 USPQ2d 1373 (Fed. Cir. 2011)(hereinafter referred to as “Lovin”)(opinion by Circuit Judge Dyk for a panel that also consisted of Circuit Judge Bryson and Senior Circuit Judge Mayer), is neither an interference opinion nor a pre- or post-interference opinion.⁹ Instead, it deals with the question of whether an ex parte appellant to the BPAI had, “in his appeal brief before the Board, adequately provided arguments for the separate patentability of certain claims pursuant to 37 C.F.R. § 41.37(c)(1)(vii) (“Rule 41.37”).”¹⁰ The reason that I think that Lovin is relevant to the Agilent v. Affymetrix problem is that the Lovin panel had to deal with two Federal Circuit precedents construing the precursor of Rule 41.37 which were at least as contrary to where the Lovin panel wanted to go as Spina was to where the PTO wanted to go with its unsuccessful attempt to “administratively set aside the judicially created rule of In re Spina.”

So, where did the Lovin panel want to go and how did it get there? Where it wanted to go (and eventually went) was to a holding that Lovin had not provided arguments for the separate patentability of its dependent claims that were adequate to entitle those claims to separate consideration on appeal. Its problem was that In re Nielson, 816 F.2d 1567, 2 USPQ2d 1525 (Fed. Cir. 1987)(hereinafter referred to as “Nielson”), and In re Beaver, 893 F.2d 329, 13 USPQ2d 1409 (Fed. Cir. 1989)(hereinafter referred to as “Beaver”), interpreted 37 C.F.R. § 1.192, which was the precursor of Rule 41.37, as requiring separate consideration of arguments for the patentability of certain dependent claims that were clearly very comparable to the arguments that Lovin had made. Not wanting to be bound by those precedents, the Lovin panel reasoned as follows:

(1) “The Supreme Court has long recognized that an agency’s construction of its own regulations is entitled to substantial deference.”¹¹

(2) “Congress has delegated to the PTO the rulemaking power to ‘establish regulations, not inconsistent with the law, which...shall govern the conduct of proceedings in the [Patent and Trademark] Office.’”¹²

(3) “It is well-established that deference is owed to decisions of the PTO in interpreting these regulations.”¹³

(4) “Nonetheless, in...[*In re Garner*, 508 F.3d 1376, 1378-79, 85 USPQ2d 1310, 1312 (Fed. Cir. 2007), and *Dethmers Mfg. Inc. v. Automatic Equipment Mfg. Co.*, 272 F.3d 1365, 1370, 60 USPQ2d 1929, 1932 (Fed. Cir. 2001)] we held that the PTO must still follow judicial interpretations of PTO regulations set forth in the decisions of our court.”¹⁴ (That, of course, sounds exactly like what the panel said in *Koninklijke Philips*.)

(5) “However, the Supreme Court has made clear [in *National Cable & Telecommunications Ass’n v. Brand Internet Services*, 545 U.S. 967, 982 (2005)] that this obligation [i.e., the obligation of the PTO to follow judicial interpretations of PTO regulations set forth in the decisions of the Federal Circuit] is not absolute.”¹⁵

(6) “The [Supreme] Court held that a judicial interpretation [of a statute] would trump an agency’s construction only if the judicial precedent ‘unambiguously foreclose[d] the agency’s interpretation, and therefore contain[ed] no gap for the agency to fill’.”¹⁶

(7) “The principles in *National Cable* apply equally to an agency’s interpretation of its own regulations.”¹⁷

Applying that reasoning to the situation before it in *Lovin*, the court held that it was not bound by *Nielson* because “In *Nielson*,...[o]ur opinion did not discuss the PTO’s rules or the Board’s interpretation of those rules.”¹⁸ As for *Beaver*, which was clearly more troublesome, the court held that:

Beaver does not compel rejection of the Board’s rationale in this case for two reasons. First, the rule governing assertions of separate patentability has gone through multiple and significant revisions, and the governing Rule 41.37 is different from the predecessor Rule 1.192 that was in place at the time of *Beaver*. * *

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Second, even if the current Rule 41.37 and predecessor Rule 1.192 (as it existed at the time of *Beaver*) were the same, the holding in *Beaver* appears to rest largely on the Board's perceived inconsistent treatment of the independent and dependent claims rather than any definitive interpretation of predecessor Rule 1.192. This is hardly surprising since the language governing the separate patentability of claims in Rule 1.192 did not even exist when *Beaver* filed his Appeal Brief before the Board on March 13, 1987. Moreover, even if *Beaver* had interpreted predecessor Rule 1.192, it certainly did not "unambiguously foreclose" the PTO's current interpretation of its own regulation, as required by the Supreme Court's decision in *National Cable*.²⁰

* * *

We note also that the Board's interpretation of Rule 41.37 is not new to this case. Rather, it reflects the Board's consistent interpretation of that rule since it was promulgated in 2004. Thus, the Board's interpretation was the governing interpretation long before *Lovin* filed his appeal brief to the Board in August 2008.²¹

How *Lovin* Might Solve the *Agilent v. Affymetrix* Problem

The court's holding in *Agilent* appears to have been motivated by a fear that applicants could drag patentees into expensive and time-consuming interferences when the applicants had not truly made the same invention.²² However, in modern (i.e., post-*Spina*) practice, that concern is much more artfully dealt with by motions for judgments of no-interference-in-fact. Perhaps if that practice were fully set forth in the interference rules and in the Federal Register announcements proposing and enacting the amendment to the interference rules, and if the Federal Register announcements scrupulously avoided any suggestion that the PTO was attempting to "administratively set aside" what the court did in *Spina* and its progeny, but instead merely politely pointed out that the new rule "reflects the Board's consistent...[practice] since...[the Board of Appeals and the Board of Patent Interferences were merged] in...[1984],"²³ the court might be induced to give the new rule and the Board's interpretation of the new rule

“substantial deference,”²⁴ leading to the overruling or distinguishing into oblivion of the court’s holding in Agilent.

In any event, the promulgation of the proposed new rule would make it clear that “the rule governing...[the interpretation of targeting claims] has gone through multiple and significant revisions [the first being the promulgation of 37 CFR 41.200(b) and the second being the promulgation of the proposed new rule], and [that] the [new] governing...[rule was] different from the predecessor... [rule] that was in place at the time of... [Agilent].”²⁵ Also, the Federal Register announcements proposing and enacting the new rule could make it equally clear that the PTO was attempting to deal (in its own way) with the very same problem that concerned the judges of the Federal Circuit in Rowe and Agilent. Finally, a suitably respectful amicus brief by the AIPLA could make it clear that, in the opinion of the interference bar, the PTO’s solution to the problem was vastly preferable to the judges’ solution to that problem. If all that occurred, perhaps the court could be persuaded to rule that Agilent “certainly did not ‘unambiguously foreclose’ the PTO’s current interpretation of its own regulation, as required by the Supreme Court’s decision in *National Cable*.”²⁶

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³ Discussed in Gholz, How Should “Copied” Claims Be Interpreted?, 16 Intellectual Property Today No. 9 at page 11 (2009); Gholz, A Critique of Recent Opinions in Patent Interferences, 92 JPTOS 1 (2010) at § XI.A., “Copied Claims are Sometimes Interpreted in Light of the Target’s

Specification—and Sometimes Not”; Gholz, Are Agilent and Philips Limited to Claims Copied in *Ipsissimis Verbis*?, 17 Intellectual Property Today No. 5 at page 28 (2010); and Gholz, Are All Panels of the Federal Circuit Following Agilent and Philips?, 17 Intellectual Property Today No. 6 at page 12 (2010).

⁴ “Copied” is a term of art in interference law. It does not mean that the targeting claim is necessarily word-for-word identical to the targeted claim. What it means is that the targeting claim is based on the targeted claim and at least allegedly interferes with the targeted claim. See, e.g., Kubota v. Shibuya, 999 F.2d 517, 521-22, 27 USPQ2d 1418, 1422 (Fed. Cir. 1992)(“Under the present rules[,] an applicant is not required to copy a patent’s [or an application’s] claims exactly, and the applicant need only present claims drawn to the same patentable invention as the ‘count’ of the interference.”).

⁵ See, e.g., Ex parte Smart, Appeal No. 2009-015036 (03 January 2011)(informative). I was co-counsel for the appellant.

⁶ At the urging of the AIPLA’s Interference Committee, Affymetrix filed a petition for rehearing en banc, and the AIPLA filed an amicus brief in support of that petition. However, Affymetrix’s petition was denied.

⁷ 590 F.3d at 1336-37, 93 USPQ2d at 1234-35.

⁸ Supra endnote 5.

⁹ By “a pre-interference opinion,” I mean an opinion on an appeal involving an attempt to provoke an interference, and, by “a post-interference opinion,” I mean an opinion on an appeal involving the aftermath of an interference—such as an appeal involving an interference estoppel issue.

¹⁰ 652 F.3d at 1350, 99 USPQ2d at 1374.

¹¹ 652 F.3d at 1353, 99 USPQ2d at 1376.

¹² 652 F.3d at 1353, 99 USPQ2d at 1376.

¹³ 652 F.3d at 1353, 99 USPQ2d at 1376.

¹⁴ 652 F.3d at 1353, 99 USPQ2d at 1376.

¹⁵ 652 F.3d at 1353, 99 USPQ2d at 1376.

¹⁶ 652 F.3d at 1354, 99 USPQ2d at 1376.

¹⁷ 652 F.3d at 1354, 99 USPQ2d at 1376.

¹⁸ 652 F.3d at 1354, 99 USPQ2d at 1377. Obviously, the same cannot be said of the court's opinions in Agilent and Koninklijke Philips.

¹⁹ 652 F.3d at 1355, 99 USPQ2d at 1377.

²⁰ 652 F.3d at 1356, 99 USPQ2d at 1378.

²¹ 652 F.3d at 1357, 99 USPQ2d at 1379.

²² In Agilent, the court quoted approvingly its explanation in Rowe that “This *Spina* rule sought to ensure that the PTO would only declare an interference if both parties had a right to claim the same subject matter.” 567 F.3d at 1375, 91 USPQ2d at 1166, quoting Rowe, 112 F.3d at 479, 42 USPQ2d at 1554. The court further explained that:

This case calls for application of the *Spina* rule, because the question is “whether the copying party’s specification [Besemer] adequately supported the subject matter claimed by the other party [Schembri].” *Id.* Stated more directly, does Besemer have adequate basis to copy Schembri’s claim and thereby challenge Schembri’s priority of invention? [567 F.3d at 1375, 91 USPQ2d at 1166; interpolations by the court.]

* * *

[W]here the PTO must assess whether both parties have a right to claim the same subject matter, the claim construction analysis properly occurs in the context of the specification from which the claims were copied. [567 F.3d at 1375, 91 USPQ2d at 1166-67.]

²³ 652 F.3d at 1357, 99 USPQ2d at 1379.

²⁴ 652 F.3d at 1353, 99 USPQ2d at 1376.

²⁵ 652 F.3d at 1355, 99 USPQ2d at 1377.

²⁶ 652 F.3d at 1356, 99 USPQ2d at 1378.