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The author encourages counsel representing an interferent for the first time to read the rules carefully before embarking.

Read the Rules First!



BY CHARLES L. GHOLZ

Kumar v. Sun, Interference No. 106,029, is interesting, not least for Judge Moore's scholarly opinion disposing of a 35 U.S.C. § 135(b)(1) motion. However, that is not the aspect of the case on which this article focuses.

The case was decided initially on Sept. 9, 2016, and judgment was entered concurrently. Judge James T. Moore, in an opinion for a panel that also consisted of Administrative Patent Judges Richard E. Schafer and Sally Gardner Lane, wrote:

Kumar, in opposition [to Sun's motion for a judgment that Kumar's involved claims are unpatentable under 35 U.S.C. § 103 as obvious over a reference referred to as "Pereillo"], notes that Sun has failed to address the presumption of cross-applicability of prior art under 37 C.F.R.

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§ 41.207. Paper 176, 3. We note that Kumar is correct in that observation. Accordingly, the decision on this motion will equally impact the corresponding Sun claims. [Paper No. 252, pages 14-15.]

As is turned out, the panel granted Sun's motion. Not surprisingly, the panel's judgment then included the following:

Ordered that judgment is entered against both parties.

Further Ordered that Kumar is not entitled to claims 1-17 and 28-30 of U.S. Patent 8.541,422, which are hereby canceled;

Further Ordered that Sun is not entitled to claims 11, 18-23, and 25-48 of U.S. Application 14/322,939, which are finally refused. . . . [Paper No. 253, page 2.]

Sun then requested what the rules quaintly refer to as "Rehearing" under 37 C.F.R. § 41.127(d), which reads as follows:

A party dissatisfied with the judgment [in an interference] may file a request for rehearing within 30 days of the entry of the judgment. The request must specifically identify all matters the party believes to have been misapprehended or overlooked, and the place where the matter was previously addressed in a motion, opposition, or reply.

Although 37 C.F.R. § 41.125(c)(4), "Opposition; reply" provides that "Neither an opposition nor a reply to a request for rehearing may be filed without Board authorization," Judge Moore then sua sponte entered an order reading in relevant part as follows:

The Board believes an opposition [to Sun's request for rehearing] would be of benefit as it makes its decision on the request for rehearing. Kumar is authorized to file an opposition within 14 days of this order. The opposition should not exceed 10 pages. [Paper No. 260, page 2.]

Remarkably, Kumar filed a response to that order reading in relevant part as follows:

In view of ongoing settlement discussion Kumar is not opposing Sun's request for rehearing. [Paper No. 261, page 1.]

What Judge Moore Wrote Denying Sun's Request for Rehearing

In the board's Jan. 10, 2017, order on the rehearing, Judge Moore initially expressed surprise bordering on incredulity at Sun's failure to deal with the cross-applicability issue in its motion:

The presumption of cross-applicability of prior art is a longstanding interference procedural rule. [Paper No. 262, page 2.]

He then quoted both 37 C.F.R. § 41.207(c), which sets forth the current rule, and its predecessor, 37 C.F.R. § 1.637(a), which was substantively identical and which was promulgated in 1984.

After that introduction, he admonished that "The Rule is not lightly ignored." Paper No. 262, page 3.

In view of what happened to Sun, the rule should be carefully considered, especially in conjunction with any motion for a judgment that an opponent's claim or claims designated as corresponding to the or a count is or are unpatentable over prior art. If the movant has any non-frivolous argument for distinguishing one or more of its claims from the target claim or claims, that argument should be developed in parallel with and in light of the arguments for why the target claim or claims is or are unpatentable!

According to Judge Moore's opinion, the panel first "again carefully looked through . . . [Sun's Motion for a judgment that Kumar's claims were unpatentable over the prior art] to see if the rule was complied with," Paper No. 262, page 4], but they "[did] not find a statement that the art is inapplicable to Sun's claims, backed up with any specific argument and reasoning as to its interfering claims 11, 18-23, and 25-48." Paper No. 262, page 4.

Judge Moore's opinion then dealt with Sun's argument that its arguments in its reply to Kumar's opposition to its motion cured its failure to make such arguments in its motion. Predictably, that effort went down in flames. After quoting the argument, Judge Moore dealt with it as follow:

First, this argument was not timely made. Second, this argument consists of attorney argument, citing only to a response in the application (Exhibit 2020, a document provided by Kumar which relies on unsworn attorney argument made during prosecution. Ex. 2020, 13. Third, the argument is legally insufficient as it addresses only the count (Sun claim 11), rather than being directed to all of sun's involved claims, which include other independent claims and dependent claims. Moreover, the argument relies on a "teach or suggest" requirement to show non-obviousness.

* * *

Sun's motion, not the reply, should have addressed the presumption and established that the art did not render its own claims unpatentable. 37 C.F.R. § 41.121(b). Sun's motion 2 did not attempt to distinguish its claims from the

Pereillo reference. Neither argument nor supporting evidence was presented. We cannot have misapprehended or overlooked arguments or evidence that were not presented in the motion.

Sun's argument is, in effect, that we should have intuited from its discussion of the subject matter of Kumar's claims (Paper 140, pp. 4-18) that its own claims were patentable over Pereillo. [However, i]t is the movant's responsibility to timely make its arguments available to the judges in its motion. It is not the Board's function to divine possible supporting arguments from the record. * * *

* * *

Sun next states that its noncompliance "was inadvertent." Paper 256, 5. * * *

The standard for excusing an untimely filing is a showing that the untimeliness was due to excusable neglect. 37 C.F.R. § 41.4(b)(2). Inadvertence is not excusable neglect. * *

Lastly, Sun observes that the Board has other options and [argues that] holding the claims unpatentable is excessive, pointing to a variety of sanctions cases. * * *

This argument treats § 41.207(c) as a sanction. [However, h]olding a movant's claims unpatentable is not a sanction, but an expected result of the operation of the presumption when a party fails to distinguish their claims. Sun's motion did not distinguish their chemically similar and interfering claims, and[,] in the absence of any reasoned argument and explanation why the specific claims were patentably distinct from the art cited in Motion 2, the presumption remained un rebutted. By not timely rebutting the presumption, Sun also deprived Kumar of the opportunity to provide any contrary evidence for our consideration. We have been pointed to no persuasive reasoning why, under the facts here, . . . the operation of the presumption is not appropriate.

As a consequence, although we have carefully reconsidered the issue, we shall not grant the request for rehearing. [Paper No. 262, pages 5-9.]

Comments

So where do you think Judge Moore's opinion for the unanimous panel left the alleged "settlement negotiations"?

The moral of this sad story is that, if you are a newbie in interference practice, you should carefully read and deeply consider both the rules (37 C.F.R. § 41.100 et seq.) and the Board's Standing Order, which it helpfully supplies to both or all parties at the start of every interference. Then, if some of the provisions of either the rules or the Standing Order strike you as so bizarre that you just can't believe that the APJs will actually implement them, you should consult with an old-timer in interference practice before embarking on what is, obviously, a perilous sea.