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The authors discuss a recent Patent Trial and Appeal Board order suggesting that the practice of elevating ''threshold'' motions to the fore while putting all the other motions ''on hold'' may be a thing of the past.

Have We Seen the Last of Threshold Motions?

BY CHARLES L. GHOLZ AND JOHN PRESPER

Board Rule 201, 37 C.F.R. § 41.201, still reads in relevant part as follows:

> *Threshold issue* means an issue that, if resolved in favor of the movant, would deprive the opponent of standing in the interference. Threshold issues may include:
>
> (1) No interference-in-fact, and
>
> (2) In the case of an involved application claim first made after the publication of the movant's application or issuance of the movant's patent:
>
> (i) Repose under 35 U.S.C. 135(b) in view of the movant's patent or published application, or
>
> (ii) Unpatentability for lack of written description under 35 U.S.C. 112(1) of an involved application claim where the applicant suggested, or could have suggested, an interference under § 41.202(a).

However, a recent opinion by Administrative Patent Judge McKelvey suggests that we have seen the last of threshold motions—that is, of motions (1) that are intended to save work for the administrative patent judges by focusing their efforts on a small group of motions while putting all of the other motions ''on hold'' in hopes that they will become moot, but (2) that actually frequently cause *more* work (and more aggravation!), both for the APJs and for counsel.

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The views expressed herein are those of the authors and are not necessarily shared by their employer or its clients.

What APJ McKelvey Wrote in *Biogen MA Inc. v. Forward Pharma A/S*

During the scheduling conference call in *Biogen MA Inc. v. Forward Pharma A/S*, Interference No. 106,023, counsel for the patentee-interferent Biogen MA Inc. sought to have Biogen's substantive Motion 1 designated a threshold motion and to have it decided before any of the other authorized motions. Biogen's substantive Motion 1 seeks[1] a judgment that all of Forward Pharma A/S's involved claims are unpatentable under the written description requirement of 35 U.S.C. § 112(1), which means that it was eligible for that treatment. However, although Judge McKelvey authorized

[1] *Biogen* is an on-going interference, which is why we use the present tense.

the motion, he denied Biogen's request that it be treated as a threshold motion, reasoning as follows:

> The initial idea behind treating certain motions as ''threshold'' motions was to accomplish a ''speedy'' resolution of interference cases while minimizing expenses for the parties[.] 37 C.F.R. § 41.1(b).[2] The expectation was that most motions raising threshold issues would be grantable. Experience has shown otherwise. If a motions phase is limited to threshold issues[,] and [if] motions raising threshold issues are denied (or those granted reversed on appeal), considerable delay results in ultimate resolution of an interference and a possible failure on the part of the Board to implement the Director's two-year policy objective for deciding interferences. 37 C.F.R. § 41.200(c). In this particular interference, a final decision should be entered consistent with the date on which a Final Written Decision in the IPR[3] is required to be entered by statute (assuming *arguendo* that an IPR trial is instituted). As presently advised[,] that date would be no later than 11 August 2016—which is 20 months after the declaration of the interference. The practical time for deciding this interference is not 24 months; rather it is 20 months. It is very difficult for a party within a 20-month period to meet the requirements necessary for a separate motions phase and a separate priority phase.[4]

Judge McKelvey's scheduling order accordingly set a single due date for all of both parties' substantive motions and made the parties' priority motions due after their substantive motions but before their oppositions to each other's substantive motions.

What Has Been Written Recently in Other Interferences

Biogen is unquestionably a weird one due to the copendency of the Kyle Bass IPR. However, we thought that the motivation expressed by Judge McKelvey quoted above (as well as the fact that the super-expedited schedules required by designating a motion as a threshold motion have made life difficult not only for the APJs but also for many very vocal counsel) might have already led to a decline in the number of motions that have been treated as threshold motions. To see whether our thought was accurate, we searched all the scheduling orders issued in the last six years for the presence of the word ''threshold.''[5] Here's what we found:

2010

(1) *Carter v. Adair*, Paper No. 19 in Int. No. 105,762 (scheduling order issued by APJ Sally Gardner Lane): two threshold motions authorized, one seeking a judgment that the single Adair claim was barred under 35 U.S.C. § 135(b)(1) and one seeking a judgment that the single Adair claim was unpatentable under the written description requirement of 35 U.S.C. § 112(1). However, ten days later, counsel for Carter contacted the board and indicated that, in view of the expedited schedule for handling threshold motions, Carter no longer wished to have its § 112(1) motion treated as a threshold motion. Judge Lane agreed.

(2) *Pham v. Baker*, Paper No. 24 in Int. No. 105,769 (scheduling order issued by APJ Sally Gardner Lane): Pham requested authorization to file two threshold motions. Both motions were authorized, ''but no expedited schedule . . . [was] set for the filing of these motions,''[6] apparently at counsels' suggestion. They had jointly submitted a proposed schedule, and Judge Lane ruled that ''The proposed schedule from the parties is reasonable and is adopted.''[7]

2011

(3) *Brown v. Schrage*, Paper No. 22 in Int. No. 105, 799 (scheduling order issued by APJ Sally Gardner Lane): Brown sought authorization to file a motion for a judgment that all of Schrage's claims were unpatentable on the basis of lack of written description support. Judge Lane not only authorized the motion, she ruled, apparently *sua sponte*, that ''[b]riefing will be expedited since the motion appears to present a threshold issue.''[8]

(4) *Iles v. Wanlass*, Paper No. 28 in Int. No. 105,821 (scheduling order issued by APJ Jameson Lee): Judge Lee authorized Iles to file a motion for a judgment that Wanlass's claims were unpatentable under 35 U.S.C. § 135(b)(1) as a threshold motion.

2012

(5) *Sun v. Smart*, Paper No. 27 in Int. No. 105,846 and 105,861 (scheduling order issued by APJ Sally C. Medley): Judge Medley authorized Sun to file a written description motion as a threshold motion, writing that, ''[b]ased on the facts of this case, it would be more efficient to first consider the Sun threshold motion and the Smart motions attacking the benefit accorded Sun. If the interference proceeds to a priority phase, a confer-

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[2] This was the PTO's published rationale for the adoption of the practice. *See* 68 Fed. Reg. 66,648, 66,664 (Nov. 26, 2003). However, as suggested at the outset of this article, at least some practitioners suspected that the APJs actually had a more personal motive—namely, reducing the amount of work that they had to do per disposal.

[3] A third party named the Coalition for Affordable Drugs V LLC filed a petition for inter partes review (''the Kyle Bass IPR'') of Biogen's patent in interference shortly after the interference was declared. That petition was denied. However, the third party has filed a second petition for an IPR. The existence of these related proceedings has already had a profound effect on the interference—and no doubt will continue to do so.

[4] *Biogen*, Paper 70 pages 6-7.

[5] Although not precisely on point, we think that, if one is writing a motion or an opposition in favor of or against designating a given issue as a threshold issue, it would be advisable to start with a consideration of *Lazaridis v. Eggleston*, Paper No. 333 in Int. No. 105,700 (non-precedential) (augmented panel consisting of Chief Administrative Patent Judge Michael R. Fleming, Vice Chief APJ James T. Moore, Lead APJ Sally Gardner Lane, and APJs Richard E. Schafer, Jameson Lee, Richard Torczon, Sally C. Medley, and Michael R. Tierney). That was a memorandum opinion and order denying rehearing on Lazaridis's previously denied request to defer a motion for a judgment of unpatentability over prior art comprising or consisting of antedatable references to the second phase of the interference.

[6] *Pham*, Paper 24 at p. 2.

[7] *Pham*, Paper 24 at p. 2.

[8] *Brown*, Paper 22 at p.3.

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ence call will be held[,] and at that time the proposed prior art motions will be discussed.''[9]

(6) *Hilliard v. Frantz*, Paper No. 18 in Int. No. 105,886 (scheduling order issued by APJ Sally Gardner Lane): Judge Lane authorized Hilliard to file a written description motion and said that it ''raise[d] a threshold issue,''[10] but she did not set an expedited schedule. She did not explain why she did not do so.

2013

(7) *Matlin v. Aries*, Paper No 19 in Int. No. 105,919 (scheduling order issued by APJ Glenn J. Perry): Matlin sought authorization to file a motion for a judgment that Aries's involved claims were unpatentable over ''one or more sales or offers for sale by Fellowes, Inc. at least one year before Aries's earliest US filing date''[11] and asserted that the motion would raise ''a threshold issue''.[12] Judge Perry authorized the motion, but he did not set an expedited schedule— or agree that it raised a ''threshold issue.''

(8) *Ho v. Furcht*, Paper No. 28 in Int. No. 105,953 (scheduling order issued by APJ Sally Gardner Lane): Ho sought authorization to file a motion for a judgment of no interference-in-fact ''on an expedited basis as it might present a threshold issue.''[13] Judge Lane authorized the motion but not the expedition, reasoning that, ''as the parties were granted a requested extension of time to file the Motions Lists and agreed to a compressed schedule to accommodate the extension[,] it is necessary to proceed directly to the filing of motions.''[14]

2014

(9) *Helena Holding Co. v. Platte Chemical Co.*, Paper No. 19 in Int. No. 105,980 (scheduling order issued by APJ Richard E. Schafer): Platte sought authorization to file a 35 U.S.C. § 135(b)(1) motion as a threshold motion. Judge Schafer authorized the motion, directed that it be filed on an expedited basis, and ruled that ''[a] time for filing an opposition shall be set, as necessary, after the motion has been filed.''[15]

(10) *Bates v. Barry*, Paper No. 20 in Int. No. 105,988 (scheduling order issued by APJ Sally Gardner Lane): Judge Lane noted, apparently *sua sponte*, that two of the motions on Bates's list of proposed motions, a 35 U.S.C. § 135(b) motion and a written description motion, ''raise[d] . . . potential threshold issues.''[16] However, she ruled that:

> While it might be appropriate to authorize Bates to file these threshold issue motions on an expedited basis, Bates requested six weeks for preparation thereof. Time Period 1 filings are normally due around that time. Accordingly, the threshold issue motions will be due at time Period 1 along with the other authorized motions.[17]

(11) *Apple, Inc. v. X One, Inc.*. Paper No. 22 in Int. No. 106,000 (order authorizing motions issued by APJ Hung H. Bui): Judge Bui authorized Apple's written description motion and noted that it ''raise[d] a threshold issue,''[18] but denied Apple's request that be considered before any other motion.

(12) *Pastorio v. Levin*, Paper No. 24 in Int. No. 105,995 (scheduling order issued by APJ Sally Gardner Lane): Pastorio indicated during the scheduling conference call that it was going to disclaim certain of its claims designated as corresponding to the count, and Judge Lane ruled that ''Whether there is an interference-in-fact remaining after the statutory disclaimer is a threshold issue.''[19] Accordingly, she set an expedited briefing schedule on Pastorio's motion for a judgment of no interference-in-fact.

(13) *Alarm.com v. iControl Networks, Inc.*, Paper No. 19 in Int. No. 106,001 (scheduling order issued by APJ Hung H. Bui): Judge Bui authorized Alarm.com's no interference-in-fact and lack of written description motions. However, although Alarm.com's counsel had referred to them as raising threshold issues, Judge Bui did not set an expedited briefing schedule.

(14) *Ritzberger v. Durschang*, Paper No. 17 in Int. No. 106,012 (scheduling order issued by APJ Sally Gardner Lane): Judge Lane authorized Ritzberger's proposed written description motion and ordered that it be decided on an expedited basis because ''it would seem that a decision on the proposed motion for judgment based on lack of written description will resolve the issues raised in the other motions proposed by Ritzberger such that there would be no need to file these motions. Further, the written description motion presents a potential threshold issue in that the interference might not continue if Ritberger prevails. Bd. R. 201.''[20]

2015

(15) *Kumar v. Sun*, Paper No. 35 in Int. No. 106,029 (scheduling order issued by APJ Sally Gardner Lane): Judge Lane authorized Kumar's proposed 35 U.S.C. § 135(b)(1) motion and ordered that it be filed on an expedited basis.

Comments

(1) To our surprise, our research did not support our hypothesis that, even prior to Judge McKelvey's scheduling order in *Biogen*, the number of motions being

[9] *Sun*, Paper No. 27 at p.3.
[10] *Hilliard*, Paper No. 18 at p. 3.
[11] *Matlin*, Paper No. 19 at p. 2.
[12] *Matlin*, Paper No. 19 at p. 4.
[13] *Ho*, Paper No. 28 at p. 3.
[14] *Ho*, Paper No. 28 at p. 3.
[15] *Helena*, Paper No. 19 at p. 2.
[16] *Bates*, Paper No. 20 at p. 4.
[17] *Bates*, Paper No. 20 at p. 4.
[18] *Apple*, Paper No. 22 at p. 3.
[19] *Pastorio*, Paper No. 24 at p. 3
[20] *Ritzberger*, Paper No. 17 at p. 4.

treated as threshold motions was dwindling. However, it did reveal a surprising non-uniformity in the number of times the various APJs treated motions as threshold motions. That confirmed the experience of the senior author of this article. Some of the APJs have expressed distaste for treating motions as threshold motions during scheduling conference calls, but we could not find expressions of that distaste in their scheduling orders.

(2) Of course, the fact that, in *Biogen*, Judge McKelvey did not denominate Biogen's substantive Motion 1 as a threshold motion, schedule it for super-expedited treatment, and place all of the other authorized motions on hold does not guarantee that, at final hearing, the panel will not decide Biogen's substantive Motion 1 first and, if it grants that motion, will not terminate the interference without deciding any other motion of either party.[21] In fact, Biogen's substantive Motion 1 seeks exactly that socially dysfunctional result:

> Because Forward Pharma's involved application fails to provide written description for the claims it copied from Biogen, it lacks standing to be in this interference. 37 C.F.R. § 41.201. Additionally, while enablement is not expressly set forth as a threshold issue in 37 C.F.R. § 41.201, Biogen submits it also should be considered threshold. Thus Biogen requests that the Board grant this motion, enter judgment against Forward Pharma, dismiss Forward Pharma's motions, and terminate the interference.[22]

(3) The penchant of some of the APJs to ''seek the nearest exit'' has been chronicled in Mr. Gholz's annual article in the *Journal of the Patent and Trademark Office* entitled ''A Critique of Recent Opinions in Patent Interferences'' in Section X.J., entitled ''Riding to the End of the Line.'' Thus, Biogen's ''Hail Mary'' request is not a sure loser. However, Judge McKelvey does not have a reputation as being a slacker.

(4) We love the fact that, over the years, the APJs have frequently tinkered with the rules, the Standing Order, and their individual practices. Excellence is achieved incrementally. Moreover, we applaud that fact that the individual who no doubt was largely responsible for the adoption of the practice of treating some motions as threshold motions is willing to admit that he made a mistake!

(5) Judge McKelvey has often been a leader of the pack. In view of the extreme dysfunctionality of the threshold motion practice in the past, we hope that his latest innovation will catch on with his colleagues—including Judge Lane, who seems to be particularly fond of designating motions as threshold motions.

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[21] Biogen's substantive Motion 1 actually argues that all of Forward Pharma's involved claims are unpatentable for lack of 35 U.S.C. § 112(1) enablement as well as for lack of 35 U.S.C. § 112(1) written description. Of course, alleged lack of enablement support is ''not necessarily a threshold issue.'' *Karim v. Jobson*, Paper No. 99 at p. 19 in Int. No. 105,376 (an ''Informative'' opinion by SAPJ McKelvey for a panel that also consisted of APJs Barrett and Torczon). In fact, it has been the experience of the senior author of this article that requests to treat lack-of-enablement motions as threshold motions are routinely denied. However, the panel could decide only the written description issue, since grant of the motion in that limited respect could be used as the basis for entering judgment against Forward Pharma.

[22] *Biogen*, Paper No. 171 at page 1; footnote omitted.

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