

Don't Forget That Inventorship Issues Can Be Determined in an Interference!

By Charles L. Gholz¹

Hor v. Chu, ___ F.3d ____, ___ USPQ2d ___ (Fed. Cir. November 14, 2012)(opinion by C.J. Prost, joined by C.J. Newman; concurring opinion by C.J. Reyna) , was a 35 USC 256 action to correct inventorship on two patents (hereinafter referred to as “the ‘866 patent” and “the ‘418 patent”), not an interference, but it contains an interesting discussion of the use of interferences to correct inventorship.²

The key facts in Hor were that, although Chu had filed the applications that ultimately matured into the ‘866 patent and the ‘418 patent naming himself as the sole inventor on March 26, 1987, and although Hor and Meng had known during the pendency of the Chu sole applications that they had not been named as joint inventors, Hor did not file the 35 USC 256 action until December 2008, and Meng did not move to intervene in Hor’s 35 USC 256 action until March 2010. Chu, not surprisingly, defended on the ground that their “§ 256 claims were barred by laches because Hor and Meng knew or should have known by as early as 1987 that they were not named inventors on the patent applications that ultimately issued as the ‘866 and ‘418 patents.”³ The district court bought Chu’s

¹ Partner in Oblon, Spivak, McClelland, Maier & Neustadt, LLP; Alexandria, Virginia.

² The classic example of the use of an interference to correct inventorship is Sewall v. Walters, 21 F.3d 411, 30 USPQ2d 1356 (Fed. Cir. 1994)(opinion by C.J. Rich for a panel that also consisted of Ch.C.J. Archer and S.C.J. Lay of the Eighth Circuit). For a recent example, see Odman and Kent v. Kent, Interference No. 105,748 (PTOBPAI 28 March 2011(informative))(opinion by APJ Medley for a panel that also consisted of APJs Schafer and Lane).

³ Slip opinion at pages 3-4.

argument and additionally “*sua sponte* determined that...[Hor’s and Meng’s] inventorship claims were barred by equitable estoppel.”⁴

The principal legal issue decided in Hor was whether the six-year periods that could create a presumption of “unreasonable and inexcusable delay” (leading to findings of laches) began when Hor and Meng learned that Chu’s patent applications did not name them as joint inventors or when Chu’s patents issued, years later (after an interference with other inventors). The majority held that the six-year periods didn’t begin until Chu’s patents issued.

Judge Prost’s Opinion for the Majority

The relevance of this opinion to interference law comes about because:

[T]he district court found that the laches period for Hor’s and Meng’s § 256 claims started to run pre-patent issuance--i.e., before the § 256 claims actually accrued--because Hor’s and Meng’s inventorship claims were not cabined to a claim under § 256. Instead, relying on the potential availability of certain procedures to correct inventorship while a patent application is still pending before the U.S. Patent and Trademark Office (“PTO”)--namely, petitioning for correction of inventorship under 35 U.S.C. § 116 or initiating a 35 U.S.C. § 135 interference proceeding--the district court determined that the laches period for inventorship claims begins “when a plaintiff knew or should have know that the defendant filed a patent application covering his alleged inventive contributions and failed to name him as an inventor, regardless of whether such notice occurred prior to the patent’s issuance.” *Hor*, 765 F. Supp. 2d at 916. The district court apparently found that §§ 116 and 135 proceedings were adequate substitutes for a § 256 inventorship claim such that the failure to seek a correction of inventorship pursuant to one of those statutory provisions prior to patent issuance could prevent an omitted inventor from later bringing a § 256 claim.⁵

The majority concluded emphatically that “We disagree [with the district court’s apparent finding].”⁶ What makes the majority’s conclusion of interest

⁴ Slip opinion at 4.

⁵ Slip opinion at pages 7-8 (emphasis supplied).

⁶ Slip opinion at 8.

here is its statement that “the specific procedural rules governing... [§ 135] further convince us that the district court’s reliance on...[§ 135 as a purported] alternative remed[y] to support its laches analysis was misplaced”⁷ and its explanation of why Hor and Meng couldn’t have vindicated their inventorship claims via interferences:

Regarding interferences, § 135(b)(1) allows for an interference challenging an issued patent [Author’s note: All patents are, by definition, issued! If they’re not issued, they’re called applications.] if the claim provoking the interference was made within one year of the challenged patent’s issuance. Because a party can provoke an interference *post-issuance* of the challenged patent, the availability of an interference proceeding does not persuade us that a § 256 claim can accrue *pre-issuance* for laches purposes.^[4]

^[4] We additionally note that prior decisions of this court have treated a § 256 claim as an available alternative to an interference proceeding, even when the omitted inventor declined to initiate an interference despite knowledge that the challenged application was pending before the PTO. *See Eli Lilly & Co. v. Aradigm Corp.*, 376 F.3d 1352, 1368 (Fed. Cir. 2004).

Finally, while we recognize that the prompt resolution of inventorship disputes certainly is a desirable goal, there may be circumstances in which it would be inefficient to require an omitted inventor to initiate an inventorship dispute while the application is still pending. Throughout the back-and-forth negotiation between the patentee [Author’s note: What Judge Prost calls “the patentee” would more commonly be termed “the applicant” at that point in the process!] and the PTO examiner, the original claims are routinely narrowed or even cancelled. Thus, in many cases, an omitted inventor may not know whether he or she has a cognizable inventorship claim until the examination concludes and the patent finally issues.⁸

⁷ Slip opinion at 9.

⁸ Slip opinion at 9-10; footnote 3 omitted.

Judge Reyna's Concurring Opinion

Judge Reyna's concurring opinion recognizes that Hor and Meng could have vindicated their inventorship claims by provoking an application and disputes the majority's contention that to do so would have been inefficient:

I diverge from the majority...when it reasons, "while ... prompt resolution of inventorship disputes certainly is a desirable goal, there may be circumstances in which it would be inefficient to require an omitted inventor to initiate an inventorship dispute while the application is still pending." Maj. Op. at 10. There is no doubt that prompt resolution of inventorship disputes is a desirable goal. But the "inefficien[cy]" that the majority identifies as competing with that goal--requiring an omitted inventor to initiate an inventorship dispute while the application is pending when a narrowing amendment could still affect the inventorship claim--is inconsistent with the desirability and efficiency wrought by prompt resolution of inventorship issues. *See id.* If claims are narrowed or even canceled during examination, the scope of the patent becomes narrower, not broader. Shrinking patent scope does not necessarily give rise to previously nonexistent inventorship claims. Since an omitted inventor would know whether he or she has a cognizable inventorship claim from the very beginning, there is no rational reason to wait until the patent issues to assert a claim for inventorship [via a suggestion of an application-application interference.

● * *

While the application is non-final and undergoing examination, the PTO is well positioned to correct inventorship errors. *See, e.g., 35 U.S.C. §§ 135(a); 37 C.F.R. § 1,48.* Allowing omitted inventors to forego efficient PTO inventorship correction processes needlessly burdens the courts and weighs heavily on the patent system. Properly understood, I believe policy consideration support a conclusion contrary to the statutorily required one we reach today, but it is up to Congress, not this court, to amend the statute accordingly.⁹

Comment

Hor and Meng knew about Chu's application, they knew that they were not named as joint inventors, and they apparently had pretty good ideas about what was being claimed in Chu's applications even if those applications were filed long enough ago so that the prosecution files were not available on PAIR.. In those circumstances, it would have been a commonplace for their attorneys to have sought to provoke application-application interferences with Chu's

⁹ Slip opinion at pages 4-5; emphasis supplied.

applications. Moreover, in today's world, where the complete files of most target applications are readily available to the prying eyes of such attorneys, those attorneys can repeatedly modify their claims as necessary to keep the target application's claims in their cross-hairs.¹⁰

I'm not disagreeing with the majority's holding that the six-year period for creating a presumption of laches in a § 256 proceeding begins on the issuance of the target patent. I'm just saying that suggesting application-application interferences was an available alternative that would have avoided the whole laches issue and that, consequently, should have been given more thoughtful consideration by the majority in reaching their decision. Since Judge Reyna clearly appreciated the possibility of resolving the inventorship issue via an application-application interference, it mystifies me why the majority did not forthrightly deal with that possibility.

¹⁰ See, e.g., Gholz, Using a Suggestion of Interference to Undermine a Competitor's U.S. Patent Application, 81 PTCJ 801 (2011).