Commissioner of Patents and Trademarks
Patent and Trademark Office (P.T.O.)

GOUTZOULIS, JUNIOR PARTY
v.
ATHALE, SENIOR PARTY
Interference No. 102,011
March 30, 1990

Harry F. Manbeck, Jr.

Assistant Secretary and Commissioner of Patents and Trademarks

DECISION ON PETITION

***1** Senior Party Athale (hereinafter "Senior Party") petitions under 37 CFR § 1.644(a)(2) seeking to invoke the supervisory authority of the Commissioner to review an interlocutoryorder of the Board of Patent Appeals and Interferences ("Board"). The Board ultimately entered judgment in favor of the Junior Party Goutzoulis (hereinafter "Junior Party").

Specifically, the Senior Party requests the Commissioner to:

(1) vacate the Board's judgment;

(2) overrule as a matter of law a decision on preliminary motion under 37 CFR § 1.633(a) holding the Senior Party's claims corresponding to count 1 of the interference unpatentable under 35 U.S.C. § 102(a) over a printed publication authored by the Junior Party; and

(3) remand the interference to the examiner-in-chief for such action as may be appropriate.

The petition is granted to the extent of declaring that improper procedure was used to resolve the interference, authorizing the interference to be reopened, and remanding the interference to the jurisdiction of the Board for further proceedings.

Background

This is an interference between a pending application of the Senior Party and a patent of the Junior Party.

The Senior Party's preliminary statement alleges conception in January 1984. The Junior Party's preliminary statement alleges conception in October 1983.

The Junior Party filed a preliminary motion for judgment under 37 CFR § 1.633(a) alleging that the Senior Party's claims corresponding to count 1 (the sole count of the interference) are not patentable under 35 U.S.C. § 102(a) over a printed article authored by the Junior Party. The article was published on September 1, 1984, less than one year before the filing dates of both parties.

The Senior Party opposed on the ground that the motion, in effect, raised an issue of priority and that 37 CFR § 1.633(a) provides that priority cannot be raised by preliminary motion. The Junior Party's reply states that the motion is based on patentability under 35 U.S.C. § 102(a) and the "fact that the publication is authored by the party Goutzoulis does not transform the issue of patentability into a priority issue."

The examiner-in-chief granted the preliminary motion, stating:

> The fact that the cited publication could possibly be used by the junior party as evidence in an attempt to establish an earlier date of invention at final hearing does not remove the publication as a reference against [the Senior Party].

***2** The examiner-in-chief also issued an Order to Show Cause why judgment on the record as to all of the claims of the Senior Party should not be entered against the Senior Party.

The Senior Party filed a petition to the Commissioner under 37 CFR § 1.644(a)(1) requesting the Commissioner to overrule as a matter of law the interlocutory order entered by the examiner-in-chief. The Senior Party contended that the preliminary motion raised an issue of priority of invention which is specifically barred by 37 CFR § 1.633(a). The examiner-in-chief denied certification of the petition and required the Senior Party to submit a response to the previous Order to Show Cause.

The Senior Party filed a response to the Order to Show Cause under protest. The examiner-in-chief found the Senior Party's evidence sufficient to overcome the September 1, 1984, date of the Junior Party's article; however, the examiner-in-chief required the Senior Party to show good cause why theevidence was not submitted with the original opposition to the Junior Party's preliminary motion.

The Senior Party filed a Showing of Good Cause stating that evidence of invention had not been submitted with the opposition because it was relying on a good faith interpretation of the Rules of Practice and its legal rights to oppose what it considered to be an improper preliminary motion.

On December 18, 1989, the Board rendered a decision concluding that the Senior Party's presentation of evidence was not timely. Judgment as to the subject matter of count 1 was awarded to the Junior Party. The Senior Party's petition under 37 CFR § 1.644(a)(2) was filed within sixty (60) days, viz., on February 15, 1990.

Propriety of the petition

A final decision by the Board from which no appeal can be taken constitutes the final refusal by the Patent and Trademark Office ("PTO") of the claims involved in the interference. 35 U.S.C. § 135(a). However, the Commissioner may, in the exercise of his supervisory authority over duties respecting the granting and issuing of patents pursuant to 35 U.S.C. § 6(a), review interlocutory non-merits decisions of the Board in interferences on petition. 37 CFR § 1.644(a)(2); Kingsland v. Carter Carburetor Corp., 168 F.2d 565, 77 USPQ 499 (D.C. Cir.), cert. denied, 335 U.S. 819, reh'g denied, 335

U.S. 864 (1948). Petitions will not be considered which raise issues relating to the merits of priority of invention or patentability, which by 35 U.S.C. § 7(b) and § 135(a) are committed to the Board. 37 CFR § 1.644(a)(2); Omori v. Ohsemachi, 230 USPQ 633, 634 (Comm'r Pat. 1985); cf. Bayley's Restaurant v. Bailey's of Boston, Inc., 170 USPQ 43, 44 (Comm'r Pat. 1971) (similar rationale in trademark case). As a general rule, as stated in Goss v. Scott, 1901 Dec. Comm'r Pat. 80, 84 (Comm'r Pat. 1901):

***3** This discretionary power of the Commissioner should be exercised, however, only in exceptional cases, and then only to correct some palpable error which is clear and evident on its face. Proper petitions to exercise the Commissioner's supervisory authority have the salutary effect of establishing uniform operating procedures within the Patent and Trademark Office and of conserving judicial resources until cases have been handled in accordance with the rules. Orikasa v. Oonishi, 10 USPQ2d 1996, 1997 (Comm'r Pat. 1989). The instant case justifies the exercise of the Commissioner's supervisory authority.

Interferences are conducted in the Patent and Trademark Office in accordance with the rules (37 CFR § 601 et seq.) promulgated pursuant to the Commissioner's rulemaking authority under 35 U.S.C. § 6(a). The Commissioner's supervisory duties under 35 U.S.C. § 6(a) respecting the granting and issuing of patents include an interest in seeing that those rules are administered properly. Because proper procedure was not followed in this case under the "new" interference rules, it is appropriate that it be reopened and that it be remanded to the Board for further action consistent with this decision.

Timeliness of the petition

A petition seeking to invoke the supervisory authority of the Commissioner in an interference must be filed after the Board has entered a final decision. The Senior Party's petition was filed on February 15, 1990, after entry of the Board's final decision on December 18, 1989. The Junior Party has not filed a response. Although in retrospect it is not clear, 37 CFR § 1.644(b) was intended to set a 15-day period for filing petitions under § 1.644(a)(2), as well as petitions under § 1.644(a)(1). The purpose of the 15-day periods for filing and response is to permit a petition to be filed, responded to, and decided prior to expiration of the two-month period for seeking judicial review. Orikasa, 10 USPQ2d at 1997. The filing of a petition normally does not automatically stay the proceeding, 37 CFR § 1.644(c), or extend the time for filing a notice of appeal.

In this case, since § 1.644(b) is not clear in requiring a 15-day period for filing a petition under § 1.644(a)(2), and since the interference will be remanded to the Board, the petition is being construed as a request to extend the time for seeking judicial review pending a decision on the petition. Henceforth, parties in interference are advised to file petitions under § 1.644(a)(2) within 15 days after entry of the Board's final decision and to also include, as part of the petition or in a separate paper, a request for extension of time to seek judicial review.

Opinion

***4** One objective of the "new" interference rules is to resolve all controversies between opponents in interference cases. Notice of Final Rule, Patent Interference Proceedings, 49 Fed. Reg. 48416, col 3 (Dec. 12, 1984), reprinted in, 1050 Off. Gaz. Pat. Office 385, col. 3, (Jan. 29, 1985). In order to accomplish this significant objective, there are many instances where it will be necessary to consider at final hearing all issues which are raised by the parties. Thus, in many instances it will be necessary for the Board to resolve both priority and patentability. Kwon v. Perkins, 6 USPQ2d 1747 (Bd. Pat. App. & Int. 1988), aff'd, 886 F.2d 325, 12 USPQ2d 1308 (Fed. Cir. 1989).

A party can file a preliminary motion for judgment on the ground that the opponent's claim corresponding to a count is not patentable to the opponent. 37 CFR § 1.633(a). With two exceptions, the motion may raise any issue of patentability. The two exceptions are: (1) priority of invention of the subject matter of a count by the moving party as against any opponent; or (2) derivation of the subject matter of a count by an opponent from the moving party. Id.; 49 Fed. Reg. at 48424, 1050 Off. Gaz. Pat. Office at 393. These exceptions are directed to issues which are traditional "priority" issues, e.g., which inventor made the invention first or, when derivation is an issue, who made the invention. The reason behind this practice is to eliminate the need for a "mini-trial" on issues relating to conception, diligence, actual reduction to practice and/or derivation during the preliminary motion phase of a "new" rule interference. Another reason is avoidance of premature discovery of a party's case on priority.

The issue presented in this particular case concerns the proper procedure for the Board to follow when an issue of patentability under 35 U.S.C. § 102(a) or § 102(e) is presented by preliminary motion. To overcome an allegation of unpatentability based on § § 102(a) and 102(e), a party need only antedate the effective date of the reference not an opponent's date of invention. This kind of "antedating" does not involve "priority" in the usual sense. Nevertheless, a party must establish "prior invention" to remove a reference under § 102(a) or § 102(e). In this respect, the antedating effort parallels those for establishing "priority of invention." In re Moore, 444 F.2d 572, 578-79, 170 USPQ 260, 266 (CCPA 1971); In re Eickmeyer, 602 F.2d 974, 978-79, 202 USPQ 655, 660 (CCPA 1979). Under the "new" interference rules, it was not contemplated that the Board would consider those priority-type issues during the course of deciding preliminary motions.

***5** A party can overcome a reference under § 102(a) or (e) by an affidavit under 37 CFR § 131 showing prior invention. Where the interference has been declared, a preliminary statement alleging invention prior to the date of a reference can be accepted as a substitute for an affidavit under Rule 131, making out a prima facie case of prior invention justifying the setting of a testimony period to take proofs. See Forsyth v. Richards, 1905 Dec. Comm'r Pat. 115 (Comm'r Pat. 1905) (where it is alleged opponent's claim is anticipated, but preliminary statement alleges date of invention prior to reference, interference will not be dissolved). Although the preliminary statement does not necessarily contain the evidence required for a sufficient

Rule 131 affidavit, there are good reasons why, as a matter of practice in an interference, the Board should accept the allegations in the preliminary statements at the preliminary motion stage rather than entering a judgment based on unpatentability under § 102(a) or (e) in the absence of a Rule 131 affidavit.

First, the test for sufficiency of a Rule 131 affidavit parallels (albeit is not identical to) that for determining priority under 35 U.S.C. § 102(g). Moore and Eickmeyer, supra. The Board will therefore be required to address priority issues of conception, reduction to practice and diligence to determine whether the party has established priority and/or overcome the date of the reference. This requires the type of "mini-trial" on priority issues which the exception to 37 CFR § 1.633(a) was intended to avoid.

Second, in an ex parte proceeding, one may antedate a reference by a showing which is less than that which would be required for a priority contest. Moore, 444 F.2d at 579-80, 170 USPQ at 267; Eickmeyer, supra; In re Mulder, 716 F.2d 1542, 1545, 219 USPQ 189, 193 (Fed. Cir. 1983) ("Interferences involve policy questions not present when antedating a reference."). It is therefore unlikely that the showing in a Rule 131 affidavit will be of material benefit later in the interference proceeding.

The parties do not, in general, know when they submit a preliminary motion under 37 CFR § 1.633(a) whether the other party's allegations in the preliminary statement will antedate a reference under 35 U.S.C. § 102(a) or § 102(e). Thus, these motions are proper, as in the instant case, where the reference has been authored by one of the parties. However, since unpatentability under § 102(a) or § 102(e) involves issues of priority as to a date, albeit not to the date of invention, the Board should consider the allegations of the preliminary statements and only enter an order to show cause based on unpatentability under § 102(a) or § 102(e) where there is no alleged "prior invention." This practice should be followed regardless of whether the prior art is § 102(a) prior art of one of the parties in the interference, or § 102(a) or § 102(e) prior art by a third party. The practice should also be followed regardless of whether the § 102(a) or § 102(e) prior art is applicable to one or all parties, and regardless of whether the prior art is cited by the junior or senior party.

***6** In this case, the Board did not properly apply "new" rule interference procedure when it concluded that a party at the preliminary motion stage of an interference is under an affirmative obligation to demonstrate that he can overcome the date of a reference which does not constitute a statutory bar where the preliminary statement alleges a date of invention before the effective date of the reference. The Board's "final" decision was apparently entered without considering the Senior Party's preliminary statement. Inasmuch as the Senior Party's preliminary statement alleges that he conceived his invention prior to the effective date of the Junior Party's reference, coupled with allegations of diligence between conception and constructive reduction to practice, the preliminary statement establishes a prima facie case of prior invention. Had the Board followed proper procedure, it would have deferred consideration of the Junior Party's motion for judgment based on patentability until

priority testimony had been taken. If the Senior Party had established at final hearing that he made the invention prior to the date of the Junior Party's printed article, a fortiori, his claim corresponding to the count could not be unpatentable over the printed article. [FN1]

Decision

The petition is granted to the extent that the interference will be remanded to the Board so that the Board

(1) may reopen the interference;

(2) set a testimony period for the parties to present priority evidence; and

(3) take further proceedings consistent with the views expressed in this opinion.

FN1. To the extent that the procedure followed by the Board in this case is consistent with the procedure followed in Guglielmino v. Winkler, 11 USPQ2d 1389 (Bd. Pat. App. & Int. 1989), appeal pending, No. 89-1571 (Fed. Cir. docketed July 3, 1989), Winkler does not represent proper procedure and is no longer to be followed.

15 U.S.P.Q.2d 1461

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