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

IN RE EDDIE L. KING
GPB No. 12-2223
April 15, 1987

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DECISION ON APPEAL FROM GOVERNMENT EMPLOYEE INVENTION RIGHTS DETERMINATION

***1** This appeal is by Eddie L. King (King) from a Government employee invention rights determination by the Department of the Air Force (Air Force) holding that all right, title, and interest in and to a pallet coupling invention be left to King, subject to a license as defined by Paragraph 1(b) of Executive Order 10096, as amended. For reasons hereinafter given, the determination by the Air Force is affirmed.

Facts

The facts in this appeal are somewhat involved. Hence, they will be set out in detail.

Starting as early as 1963, the Air Force attempted to obtain a metal coupler for joining pallets. Pallets are used to move and load equipment on and off of Air Force cargo planes.

In 1969, King was a civilian employee of the Air Force at Travis Air Force Base, California. King was employed as a 'heavy vehicle--fork lift operator.' According to the applicable job description, King's position as fork lift operator was 'one of 18 identical' positions and was located in the ramp service unit of the air freight section of the 1501st Air Terminal Squadron. The job description states:

> '[King] receives work assignments on a job-to-job basis from the Ramp Service Shift Foreman or designated journeyman aircraft loader on specific aircraft.'

During the performance of his duties as fork lift operator, King is said to have become aware of the Air Force's long-standing problems with coupling pallets. On non-Government hours, King came up with an idea for a pallet coupler which he felt might overcome some of the problems which the Air Force was experiencing.

On September 12, 1969, King contacted a registered patent attorney, Mr. Joseph B. Gardner, for the purpose of determining whether a patent could be obtained for his invention. King gave Gardner a $150 retainer. According to a receipt, which on its face appears to have been signed

by Gardner, the retainer was '[o]n account re proposed preparation and filing of an application for patent on pallet coupling.'

On September 15 or 16, 1969, King made a metal prototype of his pallet coupling. Photographs of the metal prototype appear in the record. The metal prototype was shown by King to Gardner at a meeting held September 24, 1969. At that meeting, King gave Gardner a further check in the amount of $350. According to a receipt obtained by King from Gardner, the $350 was the 'balance for preparation and filing of [the] patent application on [King's] pallet coupling.'

There came a time when King delivered several prototypes of his pallet coupler to the Air Force for testing by George J. Volgar, a Government employee who had been designated by the Air Force to test various types of pallet couplers. The precise date when King delivered the prototypes to Volgar is not clear from the record. According to Volgar, four to six 'King' pallet couplers were delivered to him in September of 1969. King was willing to state that delivery took place prior to December 4, 1969. Based on the evidence before the Patent and Trademark Office, it will be found that delivery took place in September of 1969.

***2** Sometime before December 1, 1969, King received from Gardner copies of 'preliminary drawings' for King's proposed patent application. According to King--and there is no evidence otherwise--the preliminary drawings were received prior to any testing by the Air Force of the prototypes King had delivered to Volgar. Also received by King prior to December 1, 1969, was a 'draft' of the proposed patent application. The 'draft,' a copy of which appears in the record, is in all essential respects identical to the patent application eventually signed by King and filed in the Patent and Trademark Office.

There came a time when the Air Force actually tested King's pallet coupler prototype. Volgar cannot remember when testing actually took place, but he was willing to state his belief that testing took place between (i) late fall, 1969, and (ii) early winter, 1969-1970. King, on the other hand, states that testing began on December 2, 1969. King and the Air Force agree that several prototypes other than King's prototype were tested. According to King, his prototype was tested on December 4, 1969. Air Force facilities and appropriated funds were used to conduct the tests.

According to Volgar, each pallet coupler was subjected to four tests, which Volgar identifies as Test 1, Test 2, Test 3, and Test 4. King's prototype 'passed' Tests 1, 2, and 3 and apparently was the only coupler of several tested which passed those three tests. Both King and the Air Force seem to agree that no other pallet coupler tested passed any of the tests. The record is silent as to whether any pallet coupler, including King's, passed Test 4. Volgar reveals that King's pallet coupler was the only one which worked according to MAC [Military Airlift Command] requirements, but even King's coupler could not be uncoupled in flight--a feature which apparently interested the Air Force if the pallet coupler was to be used for Air Force purposes.

On December 8, 1969, after the tests took place, King went to Gardner's office, reviewed his patent application, and signed a declaration for the application. The application was filed in the

Patent Office on December 29, 1969. The patent issued to King on February 22, 1972, as U.S. Patent No. 3,643,603.

While not particularly relevant to a decision on this appeal, the Air Force says that on July 14, 1983, King filed a request for compensation for the Air Force's use of the invention disclosed and claimed in King's patent.

On April 20, 1985, King filled out an 'Invention Rights Questionnaire' in connection with his invention. According to the questionnaire:

(1) King said that he did not desire to give any rights in the invention to the Government.

(2) King indicated his desire to prepare, file, and prosecute a patent application using his own counsel (this, of course, had already taken place).

(3) King answered 'no' to a question asking whether prior to the time the invention was physically tried out or produced in model or working form, the invention in its operable and practicable form had been fully disclosed in an enabling manner in any written document. Based on the evidence of record, this answer is correct to the extent that the 'draft' of the patent application did not exist until after King made his prototypes; the answer is not correct to the extent that the 'draft' patent application did exist prior to testing by the Air Force on December 2-5, 1969.

***3** (4) King says that he spent 200 hours of his own time, and no Government facilities, materials, funds, information, or services of other Government employees, in 'making' the invention.

(5) King says that he was prompted to make the invention because he 'learned that the Government was looking for a better method of connecting two or more pallets than what was being used.'

(6) King indicated, and the record establishes, that he was not hired to invent or perform research or engage in any other activity of the type which would create a presumption in favor of the Government under Paragraph 1(c) of the Executive Order.

King's supervisor, Leonard Merriman, also signed the questionnaire and indicated that King's job was to operate 'varied light, heavy and special purpose vehicles and equipment for movement of cargo/mail.' Merriman also indicated his belief that the invention was 'related' to King's duties.

On August 19, 1986, the Air Force entered its invention rights determination and held that title should remain with King subject to a license of the type called for by Paragraph 1(b) of the Executive Order. King received the rights determination on August 25, 1986, and timely filed an appeal on September 22, 1986.

Issues

Several questions are raised by this appeal. Included among the significant questions are:

(1) Did King use Government 'information' in making his invention, i.e., 'information' within the meaning of Paragraph 1(a) of the Executive Order?

(2) What is the meaning of 'made' in Paragraph 1(a) of the Executive Order?

(3) Were any Government resources used to make the invention?

Opinion

1. King did not use 'information' within the meaning of the Executive Order in making the invention

Paragraph 1(a) of the Executive Order provides that the Government shall obtain the entire right, title, and interest in and to all inventions made by any Government employee with a contribution by the Government of information. See also 37 CFR 100(b)(1)(ii). The Air Force maintains that King made the invention and in the process used 'information' he only could have obtained by virtue of his Government employment.

While the word 'information' is not defined in the Executive Order, it is apparent that any information King may have used in making his invention was not 'information' within the meaning of the Executive Order. King was not hired to keep a Government unit abreast of the latest developments relating to fork lifts and equipment used ancillary thereto. Compare In re Smeh, 228 USPQ 49 (Comm'r. Pat. 1985), reconsideration denied, 230 USPQ 365 (Comm'r. Pat. 1986) (employee used information in making invention where his Government employment put him in unique position to learn of Navy needs and it was his duty to remain alert to new advances to maintain state-of-the-art posture for his branch). Unlike Smeh, King had no responsibility to use any information he may have learned on the job to effect improvements in any deficient equipment or to keep Air Force personnel abreast of developments in the pallet coupler art.

2. King 'made' his invention using Government Resources

***4** As in the case of the word 'information,' the Executive Order does not specifically define the word 'made' in the phrase 'all inventions made by any Government employee . . ..' The Air Force argues that (1) an invention is not 'made' within the meaning of the Executive Order until it is actually or constructively [FN1] reduced to practice, (2) King's invention was not actually reduced to practice until the Air Force's tests showed that King's pallet couplers would operate for their intended purpose, and (3) Government resources were used to conduct those tests. The Air Force reasons, therefore, that King made his invention with a contribution of Government resources. King, on the other hand, argues that prior to any Air Force testing on December 2-5, 1969, he had (1) made a prototype of his invention and (2) the 'draft' of his patent application contained an enabling written description of the invention which would have enabled any person skilled in the art to make and use the invention.

A. King 'conceived' his invention prior to the time any Government resources

were used to make his invention

Under well-established principles of patent law, there can be no serious question that King 'conceived' his invention prior to the Air Force's December 2-5, 1969, tests. Prior to those tests, no Government resources had been used in connection with the 'development' of King's invention.

Conception is the formation in the mind of the inventor of a definite and permanent idea of the complete and operative invention as it is to be applied in practice. Mergenthaler v. Scudder, 11 App.D.C. 264, 1897 Dec.Comm'r.Pat. 724 (1897). Conception requires not only conception of an idea, but also of the means of putting the idea into practice. Meitzner v. Corte, 410 F.2d 433, 161 USPQ 599 (CCPA 1969). See also Gould v. Schawlow, 363 F.2d 908, 150 USPQ 634 (CCPA 1966).

King has shown 'conception' prior to December 2-5, 1969, by virtue of (1) his having made a prototype of his pallet coupler and (2) the existence of a 'draft' of his patent application which contained an 'enabling' description of how to make and use the invention.

B. King actually reduced to practice using Government resources

The extent to which testing is needed to establish an actual reduction to practice of an invention is manifestly a matter which must be decided on a case-by-case basis. Gordon v. Hubbard, 347 F.2d 1001, 1006, 146 USPQ 303, 307 (CCPA 1965) ('nature of the testing required depends on the particular facts of each case'). In this appeal, there is a sharp disagreement between King and the Air Force as to whether testing was needed to establish an actual reduction to practice.

Both parties were given an opportunity to file affidavits by experts of their respective choices, discussing the extent to which testing would have been necessary for a person having ordinary skill in the art to conclude that King's pallet couplers would indeed perform as he had conceived. Unfortunately, both parties declined the invitation to supply evidence on this point. Hence, the Patent and Trademark Office is left with a bare record upon which to decide the extent to which testing is needed.

***5** Initially, it would appear that King had the burden of establishing that testing was not necessary. However, apart from who had the burden, the record in this case establishes beyond any reasonable doubt that over the years numerous pallet couplers were tested by the Air Force and others and that in most, if not all instances (except in the case of King's pallet with respect to Tests 1, 2, and 3), the pallet coupler failed. Based on this fact, it would seem that a person skilled in the pallet coupler art would have needed a test of a new pallet coupler to be satisfied that the pallet coupler would in fact perform its intended function. Compare Walter v. Ryan, 397 F.2d 872, 874, 158 USPQ 216, 218 (CCPA 1968) (test required where 'development of the apparatus to a practicable workable stage does not appear to have been an easy matter and there were many failures'). It follows that testing was needed in this case to establish an actual reduction to practice of King's invention.

C. What does 'made' mean?

The word 'made,' while not defined in the Executive Order, is defined in several statutes dealing with inventions and patents (emphasis added in each case):

(1) 15 U.S.C. 2218--'All property rights with respect to inventions and discoveries, which are made in the course of or under contract with any government agency pursuant to this chapter . . . shall be subject to the basic policies set forth in the President's Statement of Government Patent Policy . . ..'

(2) 16 U.S.C. 831d(i)--'any invention or discovery made by virtue of and incidental to such service by an employee of the Government . . . serving under this section . . . shall be the sole and exclusive property of the Corporation . . ..'

(3) 35 U.S.C. 102(g)--'before the applicant's invention thereof the invention was made in this country by another . . ..'

(4) 42 U.S.C. 2182--'Any invention or discovery, useful in the production or utilization of special nuclear material or atomic energy, made or conceived in the course of or under any contract, subcontract, or arrangement . . ..'

(5) 42 U.S.C. 2457(a)--'Whenever any invention is made in the performance of any work under any contract . . . [with NASA].'

(6) 42 U.S.C. 2457(j)(3)--'the term 'made' when used in relation to any invention, means the conception or first actual reduction to practice of such invention.'

(7) 42 U.S.C. 5908(a)(1)--'the person who made the invention was employed . . ..'

(8) 42 U.S.C. 5908(a)(2)--'the person who made the invention was not employed . . ..'

***6** (9) 42 U.S.C. 5908(m)(3)--'the term 'made,' when used in relation to any invention, means the conception or first actual reduction to practice of such invention . . ..'

(10) 42 U.S.C. 6981(c)(3)--'Any invention made or conceived in the course of, or under any contract under this chapter shall be subject to section 9 of the Federal Nonnuclear Energy Research and Development Act . . ..'

Many of the statutes mentioned above, and there are other statutes like the ones mentioned above, have a purpose similar to the Executive Order, viz., establishing the rights to inventions developed in whole or in part with Government resources. There does not appear to be any basis for interpreting the meaning of 'made' in the Executive Order differently from the meaning of 'made' in laws passed by Congress also dealing with rights to inventions made with Government resources. Some statutes specifically define 'made' as being conception or the first actual reduction to practice. See e.g., 42 U.S.C. 2457(j)(3) and 42 U.S.C. 5908(m)(3). These statutes provide that the Government shall have rights in inventions which are conceived or first actually reduced to practice using Government resources. In other statutes, the word 'made' would not necessarily include 'conceived.' For example, see 42 U.S.C. 6981(c)(3) which specifically says 'made or conceived.' However, even under § 6981(c)(3), the Government is entitled to title if an invention is conceived or first actually reduced to practice using Government resources. Inasmuch as there is no apparent basis for

interpreting the Executive Order in a manner different from the various statutes mentioned above, the word 'made' in the Executive Order will be construed to mean conceived or first actually reduced to practice. Thus, if Government resources are used by or on behalf of a Government employee to either conceive or first actually reduce to practice an invention, then the invention can be deemed to have been 'made' within the meaning of Paragraph 1(a) of the Executive Order.

Application of 'made,' as defined above, to specific cases under the Executive Order should prove no difficulty as shown by experience under 42 U.S.C. 2457. In Williams v. Administrator, 463 F.2d 1391, 175 USPQ 5 (CCPA 1972), cert. denied, 412 U.S. 950 (1973), the former CCPA held that NASA was not entitled to any patent rights in an invention, because sufficient testing had been performed to demonstrate an actual reduction to practice prior to the effective date of a contract between NASA and Williams' assignee--Hughes Aircraft Co. On the other hand, NASA was successful in acquiring rights under 42 U.S.C. 2457 in Hummer v. Administrator, 500 F.2d 1383, 183 USPQ 45 (CCPA 1974). In Hummer, an actual reduction to practice was held not to have taken place before the effective date of a contract between NASA and Hummer's assignee. As in Hummer, King's first actual reduction to practice occurred after Government resources were used to test King's up-to-then untested prototypes.

D. The Air Force properly determined that it was entitled only to a license

***7** In this particular case, Government resources were used to test King's pallet coupler and a test of that coupler was necessary to accomplish the first actual reduction to practice. Hence, the invention was 'made' within the meaning of Paragraph 1(a) of the Executive Order, i.e., was made using Government resources. However, King is entitled to a presumption under Paragraph 1(c) of the Executive Order. The Air Force does not contend that the presumption has been overcome. Hence, title was properly left in King subject to a license under Paragraph 1(b) of the Executive Order. Moreover, in view of the non-Government time King spent in making his untested prototypes and in having a patent application prepared, it is manifest that the Air Force could properly have determined on equitable grounds under Paragraph 1(b) of the Executive Order that title should remain with King subject to a license to the Government.

Decision

For the reasons given herein, it is concluded that the determination of the Air Force that title to the pallet coupler invention remain in King, subject to a license under Paragraph 1(b) of the Executive Order, is affirmed.

The time period for requesting reconsideration of this decision expires thirty (30) days from the date hereof. 37 CFR 100.7(d).

FN1. Since a constructive reduction to practice did not take place prior to the time Government resources were used to effect an actual reduction to practice on behalf of King, there is no need to determine in this case whether a constructive reduction to practice prior to the use of Government resources to accomplish an actual reduction to practice would provide any basis for holding that the invention was 'made' prior to those Government resources being used. A 'constructive' reduction to practice has a place in interference proceedings under 35 U.S.C. 135(a). See Automatic Weighing Machine Co. v. Pneumatic Scale Corp., 166 F. 288, 1909 Dec.Comm'r.Pat. 498 (1st Cir. 1909) and 37 CFR 1.657, which point out that the constructive reduction to practice achieved by filing an application is a procedural device used in interference cases to establish which of two competing parties for a patent to the same invention has the burden of proving priority. There are no corresponding competing interests in determinations under the Executive Order.

3 U.S.P.Q.2d 1747

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