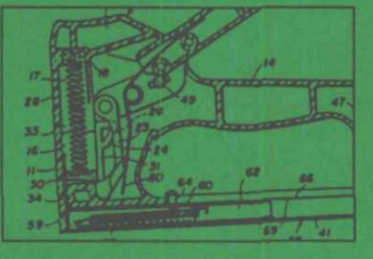
FRANKLIN PIERCE LAW CENTER

Seventh Annual
Intellectual Property Litigation Series







PATENT INTERFERENCES

At the Crossroads!

September 30 - October 1, 1994
Concord, NH

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Franklin Pierce Law Center
Concord, New Hampshire

presents

Seventh Annual Intellectual Property Litigation Series

PATENT INTERFERENCES: AT THE CROSSROADS!

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Giles Sutherland Rich Classroom

Table of Contents

Welcome

Program

About the Speakers

History of Interference Law & Practice ..... Maurice H. Klitzman

US Patent Interference Practice: The What, Why, Who, Where, When and How of Interference Practice ..... Thomas J. Macpeak

Interferences: The Procedure ..... Bruce M. Collins

The Anatomy of a Typical Interference as Gleaned from its File History ..... Watson T. Scott

Interferences with Foreign Parties ..... Karl F. Jorda

The View from the PTO: Proposed Interference Rule Changes ..... Fred E. McKelvey/Ian A. Calvert

The View from the CAFC ..... Paul R. Michel

Remaking the U.S. Patent System After the GATT: Patent Interferences are Dead; Long Live Post-Grant Opposition Practice ..... Robert A. Armitage

The Proposed New Interference Rules ..... Donald W. Banner

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Franklin Pierce Law Center

September 1994

Welcome to the Seventh Annual Program on Current Issues in Intellectual Property Litigation!

It is my pleasure to welcome you to Patent Interferences: At the Crossroads! This year's program is something of a milestone in three respects. It is one of the first continuing legal education programs in a decade to be dedicated entirely to patent interference topics. Professor Karl Jorda, the organizer of the program, has assembled an outstanding group of presenters. Jamie Bulen has made the arrangements for carrying out the program.

This program is also the first "Current Issues" to be held at the Law Center. The site is the Giles Sutherland Rich Classroom, dedicated to one of the luminaries of the patent bench and bar. The Rich Classroom is the principal space in the Robert Rines Building, constructed in 1993.

In addition, the program is part of a growing effort by the Law Center to narrow the gap between law school and law practice. One of the ways to do this is to bring CLE into law schools and law students into CLE programs. Approximately half the people in the Rich Classroom will be students from the school's Juris Doctor and Master of Intellectual Property degree curriculums.

On behalf of our students, as well as the lawyers attending the program, we are especially grateful for all of the out-of-town officials and lawyers coming here to make presentations. A glance at the program shows you that eight of the ten listed hale from inside the Beltway that defines the Washington DC region. In return for their traveling, may we offer some of the fall foliage viewing (available at least in the northern part of the state) for which New Hampshire is renowned.

I look forward to seeing you at the barbecue on Saturday, which will be a combined event for the Current Issues program and Law Center alumni/ae returning for the annual Alumni/ae Reunion.

Sincerely,

Robert M. Viles
Dean and President

2 White Street • Concord, N.H. 03301 • 603-228-1541

Friday, September 30

8:00 - 8:45	Registration/Continental Breakfast
8:45 - 9:00	Introduction Robert M. Viles, Dean and President Karl F. Jorda, Professor of Law Franklin Pierce Law Center Concord, NH
9:00 - 10:00	A Brief History of Interference Law & Practice Maurice H. Klitzman Bethesda, MD
10:00 - 10:30	Break
10:30 - 12:00	Interference Law: The Substance Thomas J. Macpeak Sughrue, Mion, Zinn, Macpeak & Seas Washington, DC
12:00 - 1:00	Lunch (on your own)
1:00 - 2:30	Interference Practice: The Procedure Bruce M. Collins Mathews, Woodbridge & Collins Princeton, NJ
2:30 - 3:00	Break
3:00 - 4:30	The Anatomy of a Typical Interference as Gleaned from its File History Watson T. Scott Cushman, Darby & Cushman Washington, DC

Saturday, October 1

8:30 - 9:00	Continental Breakfast
9:00 - 10:30	Interferences with Foreign Parties Professor Karl F. Jorda Franklin Pierce Law Center Concord, NH
10:30 - 11:00	Break
11:00 - 12:00	The View from the PTO Ian A. Calvert USPTO Washington, DC
12:00 - 1:00	*Barbecue on the Front Lawn (Provided)*
1:00 - 2:00	The View from the CAFC Paul R. Michel US Court of Appeals for the Federal Circuit Washington, DC
2:00 - 2:30	Break
2:30 - 4:30	The Future of Interference in Light of NAFTA and GATT-TRIPS Fred E. McKelvey USPTO Washington, DC Robert A. Armitage Vinson & Elkins Washington, DC Donald W. Banner Banner, Birch, McKie & Beckett Washington, DC
4:30 - 5:00	Discussion

Robert A. Armitage is a partner in the Washington office of Vinson & Elkins L.L.P., and is the former chief intellectual property counsel for The Upjohn Company of Kalamazoo, Michigan. He is president-elect of the American Intellectual Property Law Association, the immediate past-president of the Association of Corporate Counsel and is also a member of the Advisory Board for the Patent, Trademark & Copyright Journal of the Bureau of National Affairs, Inc. (BNA). He is a past chair of the Patent Committee of the Pharmaceutical Manufacturers Association, Intellectual Property Committee of the National Association of Manufacturers, and Intellectual Property Law Section of the State Bar of Michigan, and a former member of the board of directors of Intellectual Property Owners, Inc.

DONALD W. BANNER
Curriculum Vitae

Mr. Banner is a partner in the Washington, D.C. law firm of Banner, Birch, McKie & Beckett, 1001 G Street, N.W., Washington, D.C. 20001. He is an attorney primarily practicing in intellectual property matters.

Mr. Banner was born in Chicago, Illinois on February 23, 1924. He was a decorated fighter pilot in the European Theatre during World War II. He is a graduate of Purdue University, having received the degree of Bachelor of Science in Electrical Engineering in 1948. He obtained a Juris Doctor degree from the University of Detroit in 1952. Mr. Banner also received a Master of Patent Law degree from The John Marshall Law School in 1958. He was awarded the degree of Doctor of Laws from The John Marshall Law School in 1979.

Employment History

Mr. Banner was an assistant in the Patent Department of Square D Company from 1948 to 1952 at which time he became a Patent Attorney there. He was a Patent Attorney and Assistant General Patent Counsel for Borg-Warner Corporation from 1953 to 1963 and General Patent Counsel from that date to 1978. He was an adjunct professor of law, teaching Patent, Trademark and Antitrust Law at The John Marshall Law School from 1959 to 1978. Mr. Banner was Distinguished Professor Law at The John Marshall Law School from 1979 to 1988 teaching Patent, Trademark, Patent Office Practice, Licensing and Antitrust Law. He was also during that period the Director of the Graduate School program in Intellectual Property Law and Director of The John Marshall Center for Intellectual Property Law. Mr. Banner was United States Commissioner of Patents and Trademarks during the years 1978 and 1979. Since 1980, Mr. Banner has been a partner in the law firm of Banner, Birch, McKie and Beckett, a

firm specializing in all aspects of intellectual property law. He has also been Professor of Intellectual Property Law and Director of the Intellectual Property Law program at the National Law Center of George Washington University in Washington, D.C.

Mr. Banner is admitted to practice before the highest courts of Michigan, Illinois, Virginia and the District of Columbia. Mr. Banner is also admitted to practice before the Supreme Court of the United States, the Court of Appeals for the Federal Circuit, and is registered to practice before the Patent and Trademark Office.

Mr. Banner has participated in several committees, and has received a variety of appointments including the following: he was a member of the Department of Commerce Technical Advisory Board from 1969 to 1974; a member of the United States Delegation to the Washington Diplomatic Conference on the Patent Cooperation Treaty (1970); a member of the American Bar Association delegation to the Vienna Diplomatic Conference on Trademark Registration Treaty (1973); and a member of the American Bar Association delegation to the Hague Diplomatic Conference on Patent Harmonization. He was a trustee of the Licensing Executive Society from 1971 to 1974; and Licensing Consultant of the World Intellectual Property Organization to the Peoples Republic of China in 1979. In 1978 and 1979 he was Head of the Delegation of the United States of America to the Intergovernmental Conferences in Preparation for the Revision of the Paris Convention and during that period was also the Spokesman for the Group B Nations, the developed countries, at those Conferences. He has testified before the Congress of the United States in both the Senate and the House of Representatives on several occasions.

Mr. Banner is a member of the following professional associations and has held several offices including the following: The Illinois State Bar Association, where he was Chairman of the Section of Patent, Trademark and Copyright Law from 1967 to 1968; the Association of Corporate Patent Counsel, where he was President of that Association from 1970 to 1971; the American Bar Association, where he was Chairman of the Section of Patent, Trademark and Copyright Law from 1972 to 1973 and Chairman of the Committee on Patents, Trademarks and Know-How of the Antitrust Law Section from 1975 to 1978; the American Intellectual Property Law Association, where he was President of that Association from 1977 to 1978. He also was President of the International Patent and Trademark Association from 1980 to 1983. He was Chairman of the Foundation for A Creative America, which supervised the Bicentennial Celebration of the first Patent and Copyright Laws in the United States of America.

From 1980 to 1992 he was President of Intellectual Property Owners, Inc., a non-profit corporation dedicated to improving the climate for invention and innovation in the United States and in strengthening, both nationally and internationally, the laws concerning patents, trademarks, copyrights and trade secrets. He also has been Chairman, Council on Patents, Trademarks and Copyrights for the Chamber of Commerce of the United States.

He was President of the Giles S. Rich American Inn of Court, 1992 to 1994.

He has lectured widely throughout the United States. He has also lectured on various subjects relating to intellectual property law in Canada, Mexico, Brazil, England, France, Hungary, Switzerland, Japan and the Peoples Republic of China. He has also written for several legal publications. For example, he is the author of the section on "Patents" for the McGraw-Hill Encyclopedia of Science and Technology and has been the editor of the Clark

Boardman publication entitled Intellectual Property Law Review. He was the editor of the publication Developments published annually by The John Marshall Law School. He was also a member of the Research and Drafting Group for the publication "Antitrust Law Developments" 1955 to 1968; Chairman of the Research and Drafting Group on Patent Antitrust Problems for the Second Supplement of "Antitrust Law Developments," and a Contributor to the 1984 publication of that title, published by the American Bar Association Section of Antitrust Law.

In 1982 Mr. Banner received the award for Outstanding Contributions to International Cooperation in the Intellectual Property Field from the Pacific Industrial Property Association; he was the first American to receive that award. He is the 1984 recipient of the Jefferson Medal for Outstanding Contributions in the field of Patent, Trademark and Copyright Law.

He is a member of the honorary engineering societies Tau Beta Pi and Eta Kappa Nu. He was elected Old Master of Purdue University; Outstanding Electrical Engineer of Purdue University and Distinguished Alumnus of The John Marshall Law School.

BIOGRAPHY

IAN A. CALVERT

VICE CHIEF ADMINISTRATIVE PATENT JUDGE
BOARD OF PATENT APPEALS
AND INTERFERENCES
U.S. PATENT & TRADEMARK OFFICE

Mr. Calvert became Vice Chairman (now Vice Chief Administrative Patent Judge) of the Board of Patent Appeals and Interferences of the Patent and Trademark Office after merger of the Board of Appeals and Board of Patent Interferences in February 1985. He is responsible for assisting the Chairman (Chief Administrative Patent Judge) in management of the Board, which has the statutory duty of reviewing adverse decisions of examiners on patent applications, as well as determining priority and patentability of invention in patent interferences.

Mr. Calvert received a B.A. degree in Mechanical Engineering from Rice University in 1959. He graduated cum laude from the University of Houston College of Law with an LL.B. degree in 1962, and received an LL.M. from George Washington University in 1963. He is a member of the State Bar of Texas.

Mr. Calvert joined the Patent Office as a Patent Examiner in June 1963. In January 1965, he left the Office and practiced intellectual property law as an attorney with the firm of Baker, Botts, Shepherd & Coates in Houston, Texas. He returned to the Office as a Patent Examiner in August 1966. In 1971, Mr. Calvert was appointed as a Patent Interference Examiner with the Board of Patent Interferences. He became a member of that Board in 1975, and its Chairman on January 1, 1978.

BRUCE M. COLLINS
MATHEWS, WOODBRIDGE & COLLINS, P.A.
100 Thanet Circle, Suite 306
Princeton, New Jersey 08540-3662
Telephone: (609) 924-3773

Education

B.A. with Honors in Chemistry, Williams College, Williamstown, Massachusetts, 1957

M.S. in Organic Chemistry (minor in Biochemistry), Cornell University, Ithaca, New York, 1959

J.D., New York University, New York, New York, 1964

Experience

Practiced patent law since 1965, first as a corporate attorney in the pharmaceutical industry and then in private practice (since 1975).

In the late 1970's, founded and was the first chairman of the Recombinant DNA and Microbiology Subcommittee, what is now the Biotechnology Committee, of the American Intellectual Property Law Association.

Acted as attorney of record for the American Intellectual Property Law Association on its *amicus curiae* brief before the U.S. Supreme Court in *Diamond v. Chakrabarty*.

Served as the first Chairman of the American Intellectual Property Law Association's Special Interference Committee and has written and lectured on patent interference practice and discovery.

Authored *Current Patent Interference Practice*, Prentice Hall, 1987.

Admissions

Admitted to practice before the Bars of the States of New Jersey and New York, the Court of Appeals for the Federal Circuit, the United States Supreme Court, and the United States Patent and Trademark Office.

Biographical Sketch
Summary

Karl F. Jorda

Degrees:

B.A. (Summa Cum Laude) Liberal Arts & Sciences, University of Frankfurt, Germany and College of Great Falls, Montana, 1953

M.A. Chemistry, Notre Dame University, 1954

J.D., Notre Dame University, 1957

Bars:

Illinois, Indiana, New York; U.S. Supreme Court; CAFC; USPTO

Positions:

Law Clerk, Illinois Appellate Court (Judge Kiley), 1957-58.

Patent and Trademark Attorney, Miles Laboratories, Elkhart, Indiana, 1958-60.

Patent Attorney, 1960-63, and Corporate Patent Counsel, 1963-1989, Geigy Chemical Corporation/CIBA-GEIGY Corporation, Ardsley, New York.

David Rines Professor of Intellectual Property Law and Industrial Innovation and Director, Kenneth J. Germeshausen Center for the Law of Innovation and Entrepreneurship, Franklin Pierce Law Center, Concord, New Hampshire, 1989-___. (Courses taught: Intellectual Property Licensing/Technology Transfer; Intellectual Property Management.)

Associations:

Past President —
Pacific Industrial Property Association (PIPA), 1983-85.
New York Intellectual Property Law Association (NYIPLA), 1986-87.

Member (past or present), Board of Directors, Council or Executive Committee:
American Intellectual Property Association
American Bar Association's Intellectual Property Law Section
International Trademark Association
Intellectual Property Owners, Inc.
Association of Corporate Patent Counsel
International Intellectual Property Association.

Member/Committee chair of several additional associations

Professional Activities:

Consultant for six-week period in 1990 under IESC auspices to Directorate General of Copyrights, Patents and Trademarks, Department of Justice (Indonesia) in the matter of the implementation of their new patent law.

Consultant for WIPO in August 1991 to the National and World Economy University and the Institute of Inventions and Rationalizations in Sofia, Bulgaria in the matter of setting up graduate Intellectual Property teaching programs.

Head of delegation of U.S. Patent Counsel at five biennial JPO Meetings in Tokyo from 1984 to 1990.

Participant since 1990 in WIPO Symposia in Ulan Bator, Mongolia; Daeduk, Korea; Jakarta, Medan, Ujung Pandang, Indonesia; Delhi, India; Gramado, Brazil; Caracas, Venezuela; Bogota, Columbia; Quito, Ecuador as well as in a UN-TNC Symposium in Moscow on Joint Ventures.

Coordinator of annual two-week WIPO Academy (English Session) in Geneva for developing country government officials (October 1993, June 1994)

Visiting Scholar at Max-Planck Institute for Foreign and International Patent, Copyright and Competition Laws in Munich for six weeks in 1991 and four weeks in 1992.

Observer for PIPA and NYIPLA at several WIPO-Paris Convention Revision and Patent Law Harmonization Meetings in Nairobi and Geneva.

Expert Witness in Patent Litigation on Licensing and Patent Validity/Infringement issues.

Frequent Speaker in English, Spanish and German at Professional Meetings and Conventions on Intellectual Property and Technology Transfer subjects from the U.S. to Argentina, Austria, Brazil, Bulgaria, Canada, Chile, Colombia, Ecuador, England, Germany, Hungary, India, Indonesia, Japan, Mexico, Mongolia, Peru, Puerto Rico, Slovenia, South Korea, Soviet Union, Spain, Switzerland and Venezuela.

Awards: 1989 PIPA Award for "Outstanding Contributions to International Cooperation in the Intellectual Property Field".

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BIOGRAPHICAL BACKGROUND
OF
MAURICE H. KLITZMAN

MS degree in mechanical engineering from Purdue University and a Juris Doctor degree from George Washington University Law Center.

Admitted to the bars of D.C., Ohio, New York, Virginia, PTO, CAFC, and Supreme Court.

Began in the patent field in 1948 as a patent examiner in the U .S. Patent and Trademark Office. Became a Patent Attorney for the Air Force in 1951 and then for G.E. in 1953. Joined IBM in 1958. In 1984, Patent Counsel for the IBM Washington office. From 1963 to 1989, conducted the IBM training program for new entrants into the patent law field. In addition, put on training seminars for IBM attorneys as well as consulted with them on their patent law problems.

Member of the Board of Advisors for B.N.A.'s PTCJ and Franklin Pierce Law Center.

Member of the Board of Directors of AIPLA, and Council of the Intellectual Property Law Section of the ABA. Chaired and served on numerous committees of the ABA, AIPLA, DC Bar, Bar Association of DC and Virginia Bar Association. Presented numerous papers before those organizations as well as John Marshall Law School, New York Practicing Law Institute and the Southwestern Legal Foundation.

Since 1973, prepare an annual paper for the Judicial conference of the CAFC (CCPA).

Since 1988, acted as coordinator for the annual CLE program put on by the National Council Of Intellectual Property Law Associations in conjunction with the National Inventors Hall of Fame induction ceremonies in Akron, Ohio.

For approximately 35 years, member of and Counsel to the Intellectual Property Law Committee of the Electronic Industries Association.

Taught Interferences at George Washington Law Center from1974 to 1990.

Retired from IBM in 1990. Now act as a consultant to law firms and corporation Intellectual Property Law Departments in connection with their interferences, litigation and other patent matters.

SUGHRUE, MION, ZINN, MACPEAK & SEAS

THOMAS J. MACPEAK

Thomas J. Macpeak has had a long and distinguished career in the practice of intellectual property law. A native of New York City, Mr. Macpeak received his B.S. in Chemistry in 1955 from LeMoyne College. After receiving his J.D. from the Georgetown University Law Center in 1959, Mr. Macpeak joined the firm in 1960, and has been a Partner since 1962.

Mr. Macpeak's technical background lies in the chemical, pharmaceutical, petrochemical, and metallurgical fields. His practice encompasses all aspects of patent law, including litigation, licensing, prosecution, opinions on patentability, validity and infringement, and counselling.

Mr. Macpeak has served as lead counsel in major intellectual property cases in U.S. District Courts, in patent based §337 cases before the U.S. International Trade Commission, and in numerous patent interferences.

An author and frequent lecturer on intellectual property law topics, Mr. Macpeak has served as President of the I.T.C.-Trial Lawyers Association, Chairman of the Bar Association of D.C.'s Patent Interference Subcommittee, Chairman of the Steering Committee of the PTC Division of the Bar Association of D.C. and a member of numerous intellectual property law organizations, including A.I.P.L.A., AIPPI, L.E.S., A.B.A. and the PTC Sections of the Bar Association of D.C. and the D.C. Bar.

Mr. Macpeak is admitted to practice before the U.S. District Court for the District of Columbia, the U.S. Court of Appeals for the Federal Circuit, the U.S. Court of Appeals for the District of Columbia Circuit, the U.S. Supreme Court, and the U.S. Patent and Trademark Office.

BIOGRAPHY

FRED E. McKELVEY

Chief Judge
Board of Patent Appeals and Interferences
U.S. Patent and Trademark Office

Chief Judge McKelvey was born in Akron, Ohio, in 1939. He lived in Ohio, California, and Mexico during his youth.

He graduated with a B.S. in Chemical Engineering from Carnegie Institute of Technology in 1961. After graduation, he worked as an engineer with Mobay Chemical Co. (Pittsburgh, PA) and Union Oil Co. of California (Wilmington, CA).

In 1964, Judge McKelvey was appointed a patent examiner. He examined in the polymer chemistry art for a period of four years.

Judge McKelvey received a law degree from American University in 1968. He served on the law review staff. He is a member of the bars of Virginia, Maryland, and the District of Columbia.

During 1968-69, Judge McKelvey served as a patent attorney for E.I. duPont de Nemours & Co., Inc. (Wilmington, DE). In 1969, he returned to the Patent Office to again serve as a patent examiner. In 1970, he was appointed as a patent attorney in the Office of the Solicitor.

In 1975, Judge McKelvey served as a member of the Board of Patent Interferences. In 1976, he returned to the Office of the Solicitor. In 1983, he was appointed as a member of the Board of Appeals. While at the Board, he drafted and coordinated the Patent and Trademark Office's revision of its patent interference and attorney discipline rules.

In 1985, Judge McKelvey was appointed Deputy Solicitor. In February 1988, he was appointed Solicitor. During his career, he has personally handled over 300 appeals before the Court of Customs and Patent Appeals and the Courts of Appeals for the Federal, Fourth, and District of Columbia Circuits and over 100 civil actions in which the Commissioner was a named defendant. While Solicitor, he oversaw all patent and trademark litigation in which the Commissioner is a named defendant.

In 1994, he was appointed Chief Judge of the Board of Patent Appeals and Interferences.

Judge McKelvey received the Gold Medal of the Department of Commercce in 1987.

During 1968-69, Judge McKelvey served as a patent attorney for E.I. duPont de Nemours & Co., Inc. (Wilmington, DE). In 1969, he returned to the Patent Office to again serve as a patent examiner. In 1970, he was appointed as a patent attorney in the Office of the Solicitor.

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In 1994, he was appointed Chief Judge of the Board of Patent Appeals and Interferences.

Judge McKelvey received the Gold Medal of the Department of Commercce in 1987.

Judge Paul R. Michel graduated from Williams College and the University of Virginia Law School. He served seven years as a criminal prosecutor in Philadelphia. He continued in government service as an Assistant Watergate Special Prosecutor and then Assistant Counsel to the Senate Intelligence Committee. In 1976, he was selected to be Deputy Chief of the new Public Integrity Section in the Department of Justice. From 1978 until 1981, he was Associate Deputy Attorney General and for a period, Acting Deputy Attorney General. Starting in 1981, he served as Counsel and Administrative Assistant to Senator Arlen Specter. Judge Michel was appointed to the Federal Circuit in March 1988. Now exactly in the middle ranks of seniority on the court, he is often in the middle on its most contentious issues. He has written decisions in all areas of the court's jurisdiction, including patents and trademarks. In addition to frequently speaking to bar groups, Judge Michel teaches Appellate Practice and Procedure at the George Washington University National Law Center and a Master Class in Appellate Advocacy at John Marshall Law School.

In its Summer 1991 issue, the Federal Circuit Bar Journal published his article "Appellate Advocacy -- One Judge's Point of View."

WATSON T. SCOTT, AB, JD

Watson T. Scott is currently a senior partner with the law firm of CUSHMAN, DARBY & CUSMAN in Washington, D. C. On October 1, 1994, he will join the law firm of KECK, MAHIN & CATE, resident in their Washington, D. C. office. A native Washington D. C., Mr. Scott received his undergraduate degree in 1966 from Duke University having majored in chemistry. During 1966-1967, he received a Graduate Teaching Fellowship in organic chemistry while studying at George Washington University. He received his law degree from the University of Maryland at Baltimore.

Mr. Scott's practice of law is primarily directed to the chemical, biotechnology and pharmaceutical patent disciplines, with an emphasis in the area of litigation, licensing and interferences. In addition, he is responsible for the management of a sizable docket of patent applications pending in both the U.S. and overseas as well as the supervision of a staff of associate attorneys, law clerks and technical consultants. From 1971 to 1973, he served as patent advisor to the Solicitor at the U.S. Department of the Interior and from 1967 to 1971 he was an Examiner at the U.S. Patent and Trademark Office in Washington, D. C.. Prior thereto, he served as a chemist at the Smithsonian Institution, Division of Mineral Sciences.

He is admitted to the bars of the District of Columbia and Maryland, as well as the U.S. Court of Appeals for the Federal Circuit and the U.S. Court of Claims. Also, he is a member of the American Intellectual Property Association (Past Chairman, Publications Committee and Dinners and Meetings Committee); The Patent Lawyers Club of Washington (Past President); the American Bar Association; the Maryland State Bar Association; the District of Columbia Bar Association (Former Chairman, Patent, Trademark and Copyright Section); the Canadian Patent and Trademark Institute and the American Chemical Society. Mr. Scott has lectured throughout the U.S., Europe and Southeast Asia on various aspects of intellectual property.

HISTORY

OF INTERFERENCE

LAW AND PRACTICE

By

Maurice H. Klitzman

Prepared For

FRANKLIN PIERCE LAW CENTER

Seventh Annual

Intellectual Property Litigation Series

September 30 - October 1, 1994

INTRODUCTION

- Sources Used For Presentation
  - Pat Federico
    - Commentary on New Patent Law (Preamble to 35 USCA)
      - No longer part of 35 USCA
    - Patent Interferences in the U.S. PTO
    - Operation of the Patent Act of 1790 -18 JPOS 237(1936)
    - Early Interferences - 19 JPOS 761 (1937)
  - Rivise and Ceasar
    - Interference Law and Practice (1940)
  - Walker on Patents (1935 Edition)
    - Patent Statutes-- Appendix to Volume One (p. 455 - 700)
  - Donald Chisum
    - Chapter on Priority - Sections 10.01 - 10.09
  - Allen, Commissioner v. United States, ex rel. Lowry, 26 App.D.C. 8; 1905 C.D. 643
- Development of interference practice and the rule of priority

IMPLEMENTATION OF CONSTITUTION

"The Congress shall have the power . . . To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

o Two provisions merged into one sentence

o First provision promote the progress of science by securing for limited times to authors the exclusive right to their writings

o Congress has power to promote the progress of useful arts by securing for limited times to inventors the exclusive right to their discoveries

  o First patent act and all patent laws thereafter were entitled "Acts to promote the progress of useful arts".

o Washington's first message to Congress recommended various subjects to the attention of Congress.

  o He stated " I cannot forbear intimating to you the expediency of giving effectual encouragement . . . to the exertions of skill and genius in producing " new and useful inventions.

o The first patent law was enacted shortly thereafter, on April 10, 1790 [c.7, Stat. 109]

o Federico comment - Recognition of rights of individuals resulted in first to invent system. "Inventor" in Constitutional sense modified by "true and first " inventor.

FIRST PATENT ACT OF 1790

April 10, 1790 [c. 7, 1 Stat. 109]

- Sec. 1. On petition by applicant.
- Power to grant patents vested in a board of three high government officials
  - Secretary of State, Attorney General and Secretary of War
    - Leader of board Secretary of State Thomas Jefferson.
      - Interest in patent law but never a patentee, although inventor of many "gadget" type devices
  - Board favorable toward granting patents after consideration
- Sec. 2. No formal procedure or examination of prior art
  - Patent granted provided specification particularly distinguished from things known or used.
  - Enable person skilled in art to make, construct or use, to the end public have full benefit thereof after the patent expires.
- Sec. 5. No provision for rival applicants, but
  - On motion to court by defendant, District Court Judge could repeal patent obtained surreptitiously, or upon false suggestion
    - Included "patentee not first and true inventor"
- Sec. 6. Defendant could provide evidence that specification does not contain the whole truth, plaintiff intended to conceal or mislead.
- Improvement applications for steamboat
  - Fitch, Rumsey, Stevens, and Read
  - Who should receive patent
  - Filing dates establishing senior or junior party and who has burden of proof not important as they are today
  - Agreed propelling boats by steam could not be patented
  - No records how settled but appears board granted each patent for their specific contributions

PATENT ACT OF 1793

[Feb. 21, 1793, c. 11, 1 Stat. 318]

o Members of Board under 1790 Act, in view of other duties, insufficient time to devote to deciding the granting of patents

o Jefferson participated in preparation of 1793 Act

o Having just been acquainted with 1791 French patent law issuing patents without examination, adopted same for U.S.

o Sec. 1. Patent granted to anyone on petition to Secretary of State who fulfilled the formal requirements such as filing the necessary papers and payment of fee

o Sec. 2. Improver can't use original discovery nor original discoverer use improvement.

o Sec. 3. Before receive patent, must fully disclose best modes contemplated and distinguish from other things known and enable any person skilled in the art to make and use the same.

o Sec. 6. Defendant permitted to prove that specification does not contain whole truth, concealment for purpose of of deceiving public, or not originally discovered by patentee, or surreptitiously obtained patent for discovery of another person.

o Sec. 9. In case of interferring applications

- o Binding arbitration by Board of three arbitrators
  - o One by each party and one by Secretary of State
  - o Majority final as to grant of patent

o Sec. 10. District Court Judge could repeal patent upon motion, and within 3 years of issuance, if patent obtained surreptitiously, or upon false suggestion.

o No examination of prior art for novelty

o Patent could not be refused if meets formal requirements

- o Make oath "True inventor" - But First inventor not defined
- o Once patent issued, novelty dated from the filing date, and public knowledge anywhere before filing would defeat patent

- First interference in letter from Secretary of State identifying patents issued and noting with respect to one patent, "Disputed claim for a machine to work in a current of water . . . decided in favor of John Clarke." (Feb 2, 1805, page 8)

- Bedford v. Hunt 3 F. Cas. (No. 1217) (C.C.D. Mass. 1817)

    - Justice Story started to define first inventor and rule of priority

    - Reduction to practice key to priority

    - Mere speculation insufficient- "never tried by test of experience, and never put into actual operation by him the law would not deprive a subsequent inventor, who had employed his labor and his talents in putting it into practice, of the reward due to his ingenuity and enterprise."

    - "But if the first inventor reduced his theory to practice, and put his machine or other invention into use, the law never could intend, that the greater or less the use, in which it might be, or the more or less widely the knowledge of its existence might circulate, should constitute the criterion, by which to decide the validity of any subsequent patent for the same invention."

    - Intent of Statute guard against defeating patents by setting up a prior invention which had never been reduced to practice.

- Early Interferences, 19 JPOS 761 (1937)

    - Stearns v. Barrett, 1 Robb's Cases 97
        - Under 1793 Act, since patent granted on demand, losing party could still demand patent.

        - Both parties applied for patent for same invention.

        - Both required to select arbitrators, and Barrett refused to select, so patent granted to Stearns. But later Barrett also granted patent.

        - Stearns sued Barrett for infringement before jury trial. Verdict so inconsistent , jury decision set aside for new trial. Apparently parties settled because they obtained a reissue as joint inventors.

    - Robert Fulton v. John L. Sullivan for Steam Tow Boat.

        - Eli Whitney arbitrator for Fulton but arbitrators awarded priority to Sullivan

PATENT ACT OF 1836

July 4, 1836 [c.357, 5 Stat. 117]

o Dissatisfied with granting of patents without examination as to novelty under Act of 1793

o Secs. 1 and 7. Created Patent Office and provided for examination of patents based on novelty as well as usefulness with power to refuse to grant patents if it was patented or described in any printed publication, or was insufficiently described.

o Examiner annual salary $1500.00

o Sec. 6. *Specification must enable, several modes contemplated, and* particularly specify and point out the improvement, or combination claimed as the invention, and furnish model.

o Make oath first inventor

o Dissatisfied party appeal to board of 3 "disinterested persons" appointed by Secretary of State. Majority decision binding on Commissioner

o Sec. 8. Interferring patents and applications and interferring applications decided by Patent Office

o Decision made by Commissioner of Patents on notice of hearing

o Sec. 13. Provided for reissue without deceptive intent

o Sec. 16. Appeal to Circuit Court where patent denied on ground interfered with an issued patent

o Sec. 15 Priority not defined in act but indirectly through defense to charge of infringement, plaintiff not original and first inventor, or that he "had surreptitiously or unjustly obtained the patent for that which was in fact invented or discovered by another, who was using reasonable diligence in adapting and perfecting the same"

CASES ON DEVELOPMENT OF RULE OF PRIORITY

- Philadelphia & Trenton Railroad v. Stimpson, 39 U.S. 448(1840)
  - Justice Story held, contemporaneous statements of inventor could be admitted under the res gestae exception to the hearsay rule of evidence.
    - " The invention itself is an intellectual process or operation; and, like all other expressions of thought, can in many cases scarcely be made known, except by speech. The invention may be consummated and perfect, and may be susceptible of complete description in words, a month, or even a year before it can be embodied in any visible form, machine, or composition of matter. It might take a year to construct a steamboat, after the inventor had completely mastered all of the details of his invention, and had fully explained them to all of the various artisans whom he might employ to construct the different parts of the machinery. And yet from those very details and explanations, another ingenious mechanic might be able to construct the whole apparatus, and assume to himself the priority of the invention...[The] conversations and declarations (of the inventor), coupled with a description of the nature and objects of the invention, are to be deemed a part of the res gestae; and legitimate evidence that the invention was then known to and claimed by him, and thus its origin may be fixed at least as early as that period."

- Reed v. Cutter, 20 F.Cas. 435 (C.C.D. Mass. 1841) Justice Story, sitting on the Massachusetts court dealt with diligence as it related to awarding priority to the first to reduce to practice. This is what he had to say:
  - [He] is the first inventor in the sense of the act, and entitled to a patent for his invention, who has first perfected and adapted the same to use; and until the invention is so perfected and adapted to use, it is not patentable. . . . In a race of diligence between two independent inventors, he, who first reduces his invention to a fixed, positive, and practical form would seem to be entitled to a priority of right to a patent therefore. . . . he who invents first shall have the prior right, if he is using reasonable diligence in adapting and perfecting the same, although the second inventor has, in fact, first perfected the same and reduced the same to practice in a positive form."

- So Justice Story rejected the argument that the first inventor who has achieved reduction to practice was subordinated to a second inventor who obtains a patent simply because the first inventor's reduction to

practice was not " in such a way and to such an extent as to give the public the knowledge of its existence."

o Is that a recognition of a prior user right?

o Heath v. Hildreth, 11 F. Cas. 1003 (C.C.D.C. 1841)

> o"The asserted doctrine that the first of two independent inventors who communicates the invention to the public is not supported. . . and it would be unjust if it were, for it makes no exception of the bona fide first inventor who is using reasonable diligence in adapting and perfecting his invention, and whose right is saved by the spirit, if not the letter, of the 15th section of the act of 1836. . . . It cannot be just that the prior inventor, who is maturing his invention and preparing to make application for a patent in a reasonable time, should be defeated by a subsequent inventor who first obtains a patent."

o Dietz v. Wade, 7 F. Cas. 684 (C.C.D.C. 1859)

> o Judge Morsell reversed the Commissioner's position, following Philadelphia and Reed cases. Dietz established by testimony that he conceived first. Wade established a later date for conception, but an earlier date for reduction to practice. Under the Philadelphia case, the disclosed conception need not be in the form of a drawing or a model. Those cases established that necessary time used for the embodiment of the invention ought to be allowed without detriment to its origin as prior in time.

PATENT ACT OF 1839

March 3, 1839 [5 Stat. 353]

o Sec. 7. Every person or corproration who has constructed a machine, manufacture, or composition of matter, prior to application by inventor of patent, has right to use without liability to inventor; and no patent shall be held invalid by reason of such use except on proof of abandonment of such invention to the public; or that prior use is a statutory time bar to patent.

Sec. 11. Provided for appeal from any decision of Commissioner to Chief Justice of the District Court for the District of Columbia

PATENT ACT OF 1861

March 2, 1861 [12 Stat. 246]

o Sec. 1. Commissioner establish rules for taking affidavits and depositions of witnesses in cases pending before P.O.

o Sec. 2. Created board of examiners in chief

- o Duty to revise and detetrmine upon the validity of the decisions of examiners in interference cases.
- o Decision of board appealed to Commissioner

CONSOLIDATED PATENT ACT OF 1870

July 8, 1870 {c. 230, 16 Stat. 198

o Object of Commission on revision of patent laws came out of a Congressional program to revise, arrange and consolidate all of the statutes in force.

o Revising all the Statutes continued resulting in enactment of patent sections to the Act of 1870 which became sections 474-496 and 4883-4936 of the Revised Statutes of 1874.

o Sec. 10. Examiners in chief duty to revise and determine validity of adverse decisions of examiners in interference cases. (Revised Stat. 482)

o Sec. 26. Description must enable any person skilled in the art to make and use invention, explain the best mode contemplated and particularly point out and distinctly claim the invention.(Revised Stat. 4888)

o Sec. 30. Applicant make oath believes first inventor (Revised Stat. 4892)

o Sec. 37. Every person purchases from inventor or with his knowledge and consent constructs prior to application for patent by inventor shall have right to use without liability. (Revised Stat. 4898)

o Sec. 42. Whenever application interferes with another application or patent, Commissioner direct primary examiner to determine question of priority.(Revised Stat. 4904)

o Sec. 43. Commissioner establish rules for taking affidavits and depositions required in cases pending before the P.O. (Revised Stat. 4905)

o Sec. 44. Clerk of any district court wherein testimony is to be taken for use in any contested case pending in the P.O. may issue subpoena commanding witness to appear and testify. (Revised Stat. 4906 and 4908)

o Sec. 46. Every party to an interference may appeal to examiner in charge of interferences. (Revised Stat. 4909)

o Sec. 48. Appeal to Supreme Court for District of Columbia (Rev. Stat. 4911)

o Sec. 53. Reissue if inoperative or invalid etc. if without fraudulent or deceptive intention. (Rev. Stat. 4916)

o Sec. 58. Whenever interferring patents, relief by suit in equity. (Rev. Stat. 4918)

o Sec. 61. Defendant may prove specification disclosed less than the whole truth, surreptitously obtained patent invented by another, not first inventor. (Rev. Stat. 4920)

o Allen v. Lowry, 1905 C.D. 643 (D.C. Cir. 1905), discussed history of interferences in relation to the 1870 Act in considering whether there was an appeal from a decision by examiners-in-chief from a decision on a motion to dissolve.

o The 1870 Act created the position of "examiner in charge of interference"

o *Handled question of priority of invention*

o Appeal to board of examiners-in-chief; then to Commissioner

o Unlike ex parte rejections, no further direct appeal to Supreme Court of D.C. because for that court to have jurisdiction must have prior art rejection.

o Patentability handled only ex parte or on appeal, not by interference examiner who was limited to determining priority. Primary decides all questions of patentability before he declares interference

o Appeals Corrected by 1893 Act by allowing an appeal to Court of Appeals for D.C.

o Interferences in P.O. were instituted solely for the purpose of deciding priority

o Therefore appeals limited to the decisions awarding priority and might pass upon such matters as were essential to the correct determination of that question. (Ancillary to priority?)

o With regard to the jurisdiction question:

o Lowry moved to dissolve the interference on the ground that Spoon had no right to make the claims in controversy because his application was for an inoperative device. The motion was denied, and Lowry sought to appeal to the examiners-in-chief despite a *Patent Office rule providing* that no appeal could be taken from a ruling by an examiner

that a party to an interference had a right to make the interfering claims. The Court of Appeals refused to order the board to hear the appeal. This is what the court had to say:

> o " From the simple and summary mode first adopted for determining the question of priority of invention that proceeding by the system of Patent Office rules has grown to a veritable old man of the sea and the unfortunate inventor who becomes involved therein is a second Sinbad the sailor. It is known to all who are familiar with the practice in interference proceedings that by motions, petitions, and appeals of every conceivable character that the ingenuity of a skilled attorney can devise, interferences are prolonged for years, to the injury of the public and often to the financial ruin of the parties. . . . Should we reverse the practice of the patent Office as it has stood unchanged for at least 25 years, we would be placing still another burden of successive piecemeal appeals upon the unfortunate interferant in a proceeding which when decided is not final, for . . . when the defeated party is an applicant, he can . . . proceed by bill in equity under section 4915 . . . to obtain a patent and if one be finally awarded him he can again try the question of priority with his former successful antagonist under section 4918. . . . In the present case . . . should a patent be awarded to Spoon, the question of priority could be at once retried by Lowry, or by Spoon, under the latter section.
>
> " . . . There should be some limit on appeals, for where three million dollars have been invested, as stated in this case, by the party holding the patent, there is every incentive to prolong the proceedings until the expiration of the patent, and if then the applicant is successful, it means a second patent for seventeen years, and the public instead of paying tribute for seventeen years will have had a patent monopoly existing for twice that period. . . . Whether in light of experience it is proven to have been in the interests of interferants and of the public, to provide the elaborate system of preliminary or interlocutory motions to dissolve interferences . . . is perhaps a debatable question. However that may be, we think it clearly within his power . . . to limit the right of appeal. "

o The statute did not provide for motions to dissolve so that no provision was provided for any appeals therefrom. In fact motions to dissolve are not the creatures of any statute, but of the Rules of Practice of the P.O.

o In line with the earlier statutes providing for the institution of interferences for the sole purpose of determining the question of priority of invention and appeals only go to the decision of priority

o If the Commissioner deems it wise to provide for remanding the interference to the Primary Examiner for the purpose of interlocutory hearing and determination of a motion to dissolve it for any reason which he considers may be in the public interest he has the power to do so and that he may also provide that such motions may be reviewed by the appellate tribunals of the patent office and in so doing he is not depriving any party of any statutory right to have all questions passed upon at final hearing, and appeals therefrom, which are necessary for a correct determination of the question of priority. If it be assumed that there is a legal right in a party to an interference, after it is once declared, to make an interlocutory motion for its dissolution *before the final hearing on the question of priority*, irrespective of any statute or rule, we fail to comprehend upon what principle it can be successfully contended that the right of an appeal to a higher tribunal lies, in the absence of express grant of such an appeal.

o Under Little v. Lillie 1876 C.D. 207 (Comm Pat 1876), the Commissioner found that where evidence indicates only one of parties not entitled to patent, the question of priority is not muted. One of the parties may be the prior inventor and still not be entitled to a patent, but that fact would be no warrant for the Office to grant the patent to a subsequent inventor. This appears to be the practice today.

THE RULE OF PRIORITY REGARDING DILIGENCE

o In Christie v. Seybold, 55 F. 69 (6th Cir. 1893) Judge Taft reviewed the Act of 1836, the Reed v. Cutter case, and White v. Allen, 29 F. Cas. 969 (C.C.D. Mass. 1863).

o It is obvious from the foregoing that the man who first reduces an invention to practice is prima facie then first and true inventor, but that the man who first conceives, and, in a mental sense, first invents a machine , art, or composition of matter, may date his patentable invention back to the time of his conception, if he connects the conception with its reduction to practice by reasonable diligence on his part, so that they are substantially one continuous act. The burden is on the second reducer to practice to show the prior conception, and to establish the connection between that conception and his reduction to practice by proof of diligence. . . . The reasonable diligence of the first conceiver, beginning when his rival enters the field, could only carry his invention back to the date of the second conception, and in the race from that time the second conceiver must win because of his first reduction to practice.

In this case the burden was on Seybold, the second reducer but first conceiver to prove diligence. He failed to do that. His excuse was that he lacked the necessary tools to manufacture the press in his shop. However, he could have made a machine in some other shop and did not do so simply because there would be no profit for him to sell machines made by others according to his invention. The excuse was insufficient.

THE PATENT ACT OF 1927

- o One of several amendments to 1870 Act
- o Substituted board of appeals consisting of Commissioner, first assistant Commissioner, assistant Commissioner, and examiners- in- chief.
- o Eliminated appeal to Commisioner
- o Eliminated availability of repetitive judicial review through Court of Appeals of D.C. and the bill in equity under section 4915.
    - o If a party filed an appeal to the Court of Appeals, he thereby waived his right to proceed under Section 4915
    - o Opposing party had option to elect within 20 days to proceed under Section 4915

THE PATENT ACT OF 1939

- Another amendment to 1870 Act

- An application could not be amended to add a claim for the same invention, or substantially the same subject matter as a claim of an issued patent unless the amendment was filed within one year from the date the patent issued.

THE PATENT ACT OF 1952

July 19, 1952 [c. 950, 66 Stat. 792]

Public Law 593, 82nd Congress, 2nd Session, Chapter 950, 66 Stat. 792, approved July 19,1952

o 1952 Act compilation of the Act of July 8, 1870 and subsequent amendments (Committee Report, 82nd Congress, House Report no. 1923, May 2, 1952)

o A Senator asked "does the bill change the law in any way or only codify the present patent laws."

o Answer was, "It codifies the present patent laws," but the answer was made more complete in the Congressional record (page 9534, Vol. 98, No. 120, July 4, 1952) in which it was pointed out that the changes were made "In view of decisions of the Supreme Court and others as well as trial by practice and error there have been some changes in the law of patents as it now exists and some new terminology used."

o Retained the procedural structure for interferences

o Rule of priority in Section 102 (g)

  o " In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other."

o In 1962 added section 135 (c) requiring agreements settling interferences to be filed prior to termination of the interference

o In 1984 added section 135 (d) providing for arbitration of interferences

o In 1984 amended section 7 (b) combined the Board of Appeals and the Board of Interferences into the Board of Appeals and Interferences with jurisdiction to determine priority and patentability of invention in interferences. New PTO Rules promulgated.

o In 1984 Amendment of Section 135 (a), unlike prior law , a final judgement against a patentee in an interference results in cancellation of the involved claims of the patent.

The following are highlights of the changes in the new Rules of Practice which will be covered in more detail by following speakers:

o The decision by the Board on both patentability and priority will be a final ruling by the PTO and will be binding on the Primary Examiner. Object to resolve all controversies as to all interfering subject matter defined by one or more counts.

o Issues considered ancillary to priority no longer in effect since the Board decides both patentability and priority.

o Under 37 CFR 1.609, the role of the Primary is to set up the interference after identifying the claims that are patentable, claiming the "same patentable invention" and designate the claims of the application and patent which correspond to the count. The Primary will no longer rule on interlocutory matters as he did in the past. That will be handled by an Examiner-in-Chief.

o Under 37 CFR 1.601 (n), Claims are the "same patentable invention" if they are obvious in view of each other.

o Under 37 CFR 1.633 (c), count practice will normally involve one count with parties designating a party's claims which correspond or do not correspond to the count. Claims are said to correspond to a count if they are obvious in view of the count. Any Additional counts must be patentably distinct from the count in the interference.

o Under 37 CFR 1.655 (b) failure to timely make a motion when the motion could have been raised will create an estoppel to later raise the motion except under good cause shown under 1.655(c).

ESTABLISHING PRIORITY FOR UNCLAIMED SUBJECT MATTER BY RELYING ON DATES OF CONCEPTION AND REDUCTION TO PRACTICE

o Is a patentee limited to his filing date for proving prior inventorship for unclaimed subject matter?

o If a patentee doesn't claim subject matter disclosed, can he prove prior inventorship for that unclaimed subject matter?

Alexander Milburn Co. v. Davis-Bournonville Co

270 U.S. 390 (S.Ct. 1926)

o Second patentee Whitford sued first patentee Clifford for infringement of unclaimed subject matter disclosed in Clifford's patent

o Clifford patent filed 1/31/1911, issued 2/6/1912 and Whitford patent filed 3/4/1911, issued 6/4/1912

o Argument of petitioner Clifford

  o Defense Clifford first inventor -- Whitford not first inventor

  o Instead of declaring interference and determining question of priority, P. O. Rule permits overcoming copending patent by showing completed invention before filing date of patent. [

  o Practice of declaring interference between application claiming and a patent disclosing but not claiming an invention discontinued by P.O.

  o Lower court decision deprives Clifford of right to use features of own device and deprives public of right to use unclaimed subject matter either old or dedicated to public.

o Argument of Respondent

  o Date of conception important only when someone else asserts right to patent for same invention and important to determine who first inventor.

  o There may be two persons original inventors but both cannot be first inventors.

  o If each claiming same invention, a priority contest arises.

  o Clifford patent not bar (But that is not the question. Question is who first inventor)

- o Mere fact of prior invention is not enough, as it is well settled that a concealed, forgotten or abandoned invention is not a bar to patent to subsequent inventor. (Second filer may be first inventor but probably not in most instances)

- o An earlier filed patent does not establish prior invention or priority unless subject matter disclosed is claimed.

- o To regard the subject matter disclosed but not claimed in an application as part of the prior art as of the date of filing of that application is in conflict with the practical purpose of the patent law.

o The District Court found, affirmed by the Circuit Court of Appeals, that while the first patentee might have added the claim to his application, since he did not, he was not a prior inventor.

o Decision by Justice Holmes

- o Revised Statute section 4886 provides defense patentee not first inventor.

- o One not first inventor if somebody else made complete description of the thing claimed before his earliest date.

- o One really must be first inventor to be entitled to patent.

- o Delays of P.O. ought not to cut down effect of what has been done.

- o First inventor did all he could to make description public.

- o No reason for second inventor to profit by the P.O. delay when first inventor showed knowledge inconsistent with allowance of second inventor's claim.

- o Question not whether Clifford showed himself to be first inventor. Easy to say he is not inventor unless makes claim. Question whether Clifford's disclosure made it impossible for Whitford to claim the invention at a later date.

- o The disclosure would have had the same effect as at present if Clifford had added to his description a statement that he did not claim the thing described because he abandoned it or because he believed it to be old.

- o It is not necessary to show who did invent the thing in order to show that Whitford did not.

o It is said that without a claim the thing described is not reduced to practice. But this seems to rest on a false theory helped out by the fiction that by a claim it is reduced to practice.

o As an empirical rule it no doubt is convenient if not necessary for the P.O. not declaring interference with unclaimed subject matter, and "we are not disposed to disturb, although we infer that originally the practice of the P.O. was different."

o The fundamental rule is patentee must be the first inventor.

o Decision reversed.

o Conclusion

o Don't have to claim to show that second applicant is not first inventor.

o By inference, can rely on unclaimed disclosure to show prior inventorship.

1952 PATENT ACT 35 USC 102 (e) AND (g)

o Does 102 (e) or (g) prevent a patentee from proving invention dates for unclaimed subject matter prior to his filing date?

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent. (If an applicant can show invention activity before a patentee's filing date, why can't the patentee of unclaimed subject matter prove invention dates prior to his filing date .)

(g) before the applicant's invention thereof, the invention was made in this country by another who had not abandoned, suppressed, or concealed it. (Filing a patent application is evidence of no abandonment, suppression or concealment) In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce the invention to practice, from a time prior to conception by the other.

o Fact meet 102 (e), must also meet 102(g).

FEDERICO COMMENTARY OF 1952 PATENT ACT

"Paragraph (e) is new in the statute and enacts the rule of the decision of the Supreme Court in Alexander Milburn Co. v. Davis- Bournonville Co.,

46 S.Ct. 324, 270 U.S. 390, 70 L. Ed. 651, under which a United States patent disclosing an invention dates from the filing of the application for the purpose of anticipating a later inventor, whether or not the invention is claimed in the patent."

o Federico and Milburn were emphasizing the date of a patent as a printed publication as of its filing date-- not necessarily priority.

" Paragraph (g) relates to prior inventorship by another in this country as preventing the grant of a patent. It is based in part on the second defense in old R.S. 4920 . . . and retains the rules of law governing the determination of priority of invention developed by decisions."

Rule 37 CFR 1.131 AFFIDAVITS OVERCOMING REJECTIONS

o When any claim of an application or a patent under examination is rejected on reference to a domestic patent which substantially shows or describes but does not claim the same patentable invention . . . as the rejected invention, or on reference to a foreign patent . . . , and the inventor of the subject matter of the rejected claim . . . shall make oath or declaration as to facts showing a completion of the invention in this country before the filing date of the application on which the domestic patent issued, or before the date of the foreign patent, . . . then the patent . . . cited shall not bar the grant of a patent to the inventor . . . unless the date of such patent . . . is more than one year prior to the date on which the inventor's . . . application was filed in this country."

o Only need to show completed invention before filing date of patent. But have not shown prior inventor.

IF A RULE 131 AFFIDAVIT IS FILED UNDER 35 USC 102 (e), IS 35 USC 102 (g) OVERCOME?

o Does meeting the requirements of 102 (e) overrule the effect of 102 (g)?

o Has first inventorship been determined as to that unclaimed subject matter in the first filed patent used as a reference?

o Is an interference between the claims of the second patent and the unclaimed subject matter still an open question? In litigation, should the practice of the PTO prevent a patentee from relying on unclaimed subject matter to prove prior inventorship?

o When a rule 131 affidavit is filed to overcome a 103 rejection, does it result in a cloud placed on the patent obtained?

o Should filing a rule 131 affidavit be avoided? Use as last resort?

o Under Milburn, the public will not receive anything more for granting a patent to a second inventor, since the public will receive the benefit of the unclaimed disclosure when it issues as a patent. There is no quid pro quo for granting a patent for subject matter which is obvious in view of the unclaimed subject matter to a second inventor, which subject matter the public is going to get for free.

o Since interferences are now based on parties claiming subject matter obvious in view of each other, should interferences be declared where there is a rejection of claims of an application based on obviousness in view of a patent's unclaimed subject matter which unclaimed subject matter is obvious in view of the claims of the patent? It was the practice at one time to set up an interference with the unclaimed subject matter, but that resulted in too many interferences and 131 practice was instituted.

o Should the public be deprived of practicing the unclaimed subject matter dedicated by the first inventor?

o Should a patent be eroded by granting a patent to a second applicant filing a 131 affidavit under 102(e) to overcome an obviousness rejection based on unclaimed subject matter ?

o Does that impact the first to invent policy enunciated by Milburn?

o In Sun Studs v. ATA, 10 USPQ 2d 1338, the court limited a defendant to his filing date under 102(e) of a prior patent for unclaimed subject matter and did not permit him to show first inventorship under 102(g). But there is recognition by Milburn and the Federal Circuit that one need not provide a patent claim at all to prove prior inventorship. In Dupont v. Phillips Petroleum, 7 USPQ 2d 1129, the Federal Circuit found that it was unnecessary for an alleged infringer to file a patent application to prove prior inventorship for obviousness purposes so long as the requirements of 102 (g) are met. Also see New Idea v. Sperry, 16 USPQ 2d 1424. If one doesn't file a patent application, he certainly does not have a patent claim. So whether one has a patent claim should be immaterial for determining prior inventorship. Why should one be worse off for proving prior inventorship by having filed for and obtained a patent but failed to claim a feature thought to be obvious? In my opinion the law should be the same for both.

o So I suggest you give serious thought before you file a 131 affidavit to overcome an obvious rejection based on unclaimed subject matter. This is not to say you shouldn't file a 131 affidavit if you believe you are the first inventor. But if your invention dates are just a short period prior to the reference filing date, the chances are you are a second inventor of that unclaimed subject matter.

U.S. PATENT INTERFERENCE PRACTICE

Thomas J. Macpeak[1/]

(The What, Why, Who, Where, When and How of Interference Practice)

I. Introduction

II. Reference Materials - Statutes (35 U.S.C.); Rules (37 C.F.R.); MPEP (Ch. 1100-old; Ch. 2300-new); Texts (Revise & Caesar, Chisum (Priority); Macpeak/Olexy/Osha/Boland, Comprehensive Patent Interference Practice, 1994.

III. What?

A procedure conducted in the USPTO and Federal Courts pursuant to -

1. Federal Statutes, including inter alia,
   - 35 U.S.C. §135
   - 35 U.S.C. §7 (especially Section (b)
   - 35 U.S.C. §102(g)
   - 35 U.S.C. §104, and

2. USPTO Rules - 37 C.F.R. §1.601-1.690; MPEP Chs. 1100 and 2300

3. Federal Rules of Civil Procedure, and

4. Federal Rules of Evidence

for the purpose of determining
- the issue of priority of invention, and
- other issues

where such issues are raised in the USPTO between two or more parties, at least one of whom is an applicant, and who claim to be the inventors of the same invention or patentably indistinct inventions.

IV. Why?

1. U.S. - First-to-Invent System

Constitution - Article 1, Sec. 8, Ch. 8 -

35 U.S.C. §135 especially (a)
35 U.S.C. §102 (g)
35 U.S.C. §7 (especially b)

1/ Partner, Sughrue, Mion, Zinn, Macpeak & Seas
Washington, D.C.

X. Procedure

1. Declaration - Application v. Application (Slide)
   Application v. Patent

2. Preliminary Statements (Slide)

3. Preliminary Motions

4. Discovery and Testimony

5. Hearing; Decision; Appeals - Dist. Ct./CAFC

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IV. Why?

1. U.S. - First-to-Invent System

Constitution - Article 1, Sec. 8, Ch. 8 -

35 U.S.C. §135 especially (a)
35 U.S.C. §102 (g)
35 U.S.C. §7 (especially b)

1/ Partner, Sughrue, Mion, Zinn, Macpeak & Seas
Washington, D.C.

2. First-to-Invent

- Worldwide, except U.S.
- Harmonization Efforts - Protectionism - 35 U.S.C. §104

3. Often Commercially Important - Minoxidil, ZSM-22, IGF-1, EPO, Clumping Cat Litter, etc.

V. Who?

A. In the USPTO

1. At least two parties, at least one of whom is an applicant

2. Applicants v. Applicant
- Examiner Initiated - Rule 605
- Party Initiated - Rule 604

3. Applicant(s) v. Patentee
- Examiner Initiated - Rule 605
- Party Initiated - Rule 606, 607, 608
- 35 U.S.C. §135(b) - one year rule
- USPTO "3 month/6 month

4. Patentee v. Patentee - In U.S. District Court
- Interfering Patent Suits in District Court - 35 U.S.C. §291
- Declaratory Judgment/Case or Controversy/Threat/ Reasonable Apprehension of suit
- Reissue - 35 U.S.C. §251, throw back into USPTO

VI. Where?

1. USPTO and Federal Courts

A. USPTO Levels
i) Art Unit/Primary Examiner - Rules 603, 609
ii) Board of Patent Appeals and Interferences
- Rules 610, 611
- Examiner-in-Chief (EIC) Assigned By Board
- EIC Controls Until Final Hearing (some exceptions)
iii) Board - Final Hearing - 3 Member Panel
iv) Commissioner - Petition

B. Federal Courts
i) Appeal CAFC - 35 U.S.C. §141
ii) Appeal U.S. District Court - 35 U.S.C. §146
iii) Both CAFC and U.S. District Court? Yes!

C. Federal Court - 35 U.S.C. §291
Interfering Patents

VII. When?

When an Examiner decides that two or more applicants or at least one applicant and a patentee are claiming or have a basis to claim the same invention, the Examiner may recommend to the Board (acting for the Commissioner) that an interference be declared.

The APJ assigned by the Board to the potential interference reviews the Primary Examiner's recommendation and, if in agreement, declares the interference.

Average pendency before the Board is two (2) years, but this "average" is composed of many early disposals and many protracted proceedings.

A. Procedural Overview
   1. Declaration (Rules 609-611)
   2. Preliminary Statement (Rules 621-631)
   3. Preliminary Motions (Rules 633, 635, 637-640)
   4. Other Motions - Inventorship (Rule 634)
   5. Discovery - (Rules 687, 688)
   6. Testimony - (Rules 671, 684)
   7. Record and Exhibits (Rule 653)
   8. Briefs (Rule 656)
   9. Final Hearing and Decision (Rule 658)
   10. Reconsideration/Petition
   11. Appeal - CAFC
       - USDC

B. Arbitration - 35 U.S.C. §135(d) (Rule 690)

C. Settlement Agreements
   - various approaches
   - 35 U.S.C. §135(c) - filing, sealing
   - collusion, misuse, antitrust

VIII. Substantive Aspects (35 U.S.C. §102(g))
   - Conception
   - Reduction to Practice
     - - Actual
     - - Constructive
   - Diligence/Critical Period
   - Corroboration
   - Abandonment, Suppression or Concealment (Rule 632)
     - - Resumption of Activity
   - Derivation - 35 U.S.C. §104

IX. Frequently Encountered Date Priority Scenarios - Text, Macpeak et al, at 1-6, 7. (Slides)

X. Procedure

1. Declaration - Application v. Application (Slide)
   Application v. Patent

2. Preliminary Statements (Slide)

3. Preliminary Motions

4. Discovery and Testimony

5. Hearing; Decision; Appeals - Dist. Ct./CAFC

U.S. PATENT INTERFERENCE PRACTICE

Thomas J. Macpeak
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I. INTRODUCTION

While U.S. patent interferences have always been important, they have taken on increased significance for parties whose inventions are made abroad.

Now, the opportunity for a foreign party to prevail in an interference has been greatly increased, if the party is a citizen of a signatory to NAFTA[1/]; a similar opportunity is expected to be extended to citizens of a signatory to GATT[2/] (Uruguay).

At the time of this writing[3/] the NAFTA treaty has been ratified by the U.S. Congress, and statutory change has been made to allow all signatories to NAFTA to prove prior invention with reference to inventive acts in their home countries.

Specifically, 35 U.S.C. § 104 has been amended, in view of NAFTA, to allow a party to a U.S. patent interference to prove priority of invention based upon activities carried out in Canada and Mexico, as well as the U.S.

Also, at the time of this writing, GATT is about to be submitted to the U.S. Congress on a "fast track" for ratification. While U.S. approval of GATT is expected, the provisions of GATT have been highly politicized, especially on issues of loss of employment, and perceived loss by the U.S. of autonomy in environmental and other regulatory areas; as a result, adoption of GATT by the U.S. is not as certain as it was once believed to be.

Should GATT be ratified by the U.S. Congress, however, a further amendment to 35 U.S.C. § 104, similar to the § 104 NAFTA amendment, will surely be enacted to allow signatories to GATT to prove prior invention by reference to acts of invention outside the U.S.[4/]

On October 11, 1994, I will have the privilege of presenting a lecture on U.S. Interference Practice to the Japan Patent Association during its seminar in Washington, D.C., a supplemental

paper will be made available to attendees which will set forth the then current status of NAFTA/GATT, and related statutory and rule changes.

II. GLOSSARY OF TERMS AND EXPRESSIONS FREQUENTLY USED IN U.S. PATENT INTERFERENCE PRACTICE

Like so many highly specialized fields of law or science, U.S. patent interference practice has spawned its own vocabulary or lexicon of terms and expressions which needs to be understood in order to follow the literature and oral discussion relating to this topic.

Set forth below, in alphabetical order, is a list of terms and expressions which are frequently employed in connection with the field of U.S. patent interference practice, together with a concise statement of their normal usage and meaning in this field:

Abandonment, Suppression, or Concealment

- activity or inactivity by one who has actually reduced an invention to practice, which deprives one of the right to rely on such actual reduction to practice in an interference (U.S.C. § 102(g));

Actual Reduction to Practice

- physical completion of an invention, including successful testing in the intended environment of use (35 U.S.C. § 102(g));

Arbitration

- a procedure for conducting an interference before an arbitrator as provided in 35 U.S.C. § 135(d); the USPTO retains supervision of arbitration procedures;

Benefit - (or Benefit Date)

- entitlement to the "benefit" of an earlier filed U.S. or foreign patent application (35 U.S.C. §§ 119,120);

Briefs - Final Hearing

- written materials presented after the filing of the record which present legal arguments, summarize the evidence, *etc.* (37 C.F.R. § 1.656);

Briefs - Motions

- written materials presented in support of motions or in opposition to motions, citing facts and legal precedent, and arguing a party's position; such briefs often refer to evidence submitted by affidavit or declaration with the specific motion (37 C.F.R. § 1.633-1.640);

Claim Designation

- upon declaration of an interference at least one allowable claim of each party is designated as corresponding to the count, *i.e.*, is held to be patentably indistinct or obvious in view of the count, under 35 U.S.C. § 103; all other claims in the application should be "designated" as corresponding or not corresponding to the count. Designated or non-designated claims may or may not be "allowable" at the time the interference is declared;

Concealment

- see "abandonment", *etc.* (37 C.F.R. § 1.632);

Conception

- the possession of the complete mental picture or idea of an invention; this requires the mental possession of the complete invention, including how to make and how to use the invention (35 U.S.C. § 102(g));

Constructive Reduction to Practice

- filing a patent application containing a description of the invention of a claim, which corresponds to the count, which is in compliance with 35 U.S.C. § 112;

Corroboration

- evidence offered by a non-inventor which supports the evidence of the inventor(s) on the date priority issues, *i.e.*, conception, diligence, and actual reduction to practice;

Count

- a statement, in patent claim format, which defines the scope of relevant proofs of prior invention, and includes within it a definition of an invention claimed by, and patentable to each party;

Critical Period

- the period of time during which one who is first to conceive and last to reduce to practice must prove reasonable diligence; the period commences just before the opponent's "entry into the field" ("the opponent's conception") and extends to the reduction to practice of the one who was first to conceive (35 U.S.C. § 102(g));

De Facto First Inventor

- the party to an interference who was first to actually or constructively reduce to practice an invention within the count;

Derivation (Originality)

- derivation and originality are used interchangeably; derivation is the acquisition of an invention by one party to an interference from the first inventor who is also a party to the interference;

Diligence (or Reasonable Diligence)

- activity by a party who has an earlier conception, but has an actual or constructive reduction to practice which is later than an opposing party; the activity commences prior to the opponent's entry into the field (conception), and is directed to the party's constructive or actual reduction to practice (35 U.S.C. § 102(g));

Effective Filing Date

- the filing date of a party's involved application or patent, or such earlier benefit date accorded to a party in the Notice of Declaration of Interference or awarded to a party by grant or denial of Motions for Benefit or Denial of Benefit (35 U.S.C. §§ 119, 120; 37 C.F.R. §§ 1.611(5), 633 (f),(g); 37 C.F.R. 1.633);

Entry into the Field

- usually entry into the field coincides with "conception"; in some cases, however, "entry" begins with actual reduction to practice, where there is a holding of simultaneous conception and reduction to practice;

Final Hearing

- the hearing held before a three (3) member panel of the BOPAI at which the parties present oral arguments (37 C.F.R. § 1.654);

Fraud

- any form of inequitable conduct, usually a breach of 37 C.F.R. § 1.56, which would deprive a party to an interference of standing to contest the interference;

Gist of the Invention

- a party asserting derivation of the invention from that party by another party to an interference must prove communication of the gist of the invention by that party to the alleged deriver, *i.e*, communication of key information sufficient to place the deriver in possession of the invention without the exercise of inventive skill;

Originality

- see "Derivation";

Preliminary Motions

- formal written pleadings, submitted in accordance with 37 C.F.R. § 1.633 prior to testimony, which seek to terminate or restructure the interference;

Record

- the papers required to be filed prior to the Final Hearing. See 37 C.F.R. § 1.653;

Re-entry into the Field (Resumption of Activity)

- activity by a party who has abandoned, suppressed or concealed an actual reduction to practice, and then reactivates or revives its activity leading to an

additional actual and/or constructive reduction to practice;

Spurring

- evidence tending to show that a party had abandoned, suppressed, or concealed a reduction to practice, because the party only exhibited renewed interest in the abandoned invention after being "spurred" or stimulated to resume activity with respect to the invention by virtue of seeing the opposing party's activity in bringing the invention to public attention;

Suppression

- see "abandonment," *etc.*;

Testimony (Testimony Period)

- the evidentiary phase of an interference during which a party presents evidence in support of or in opposition to any contested issue. Evidence usually comprises sworn oral or written statements of witnesses, physical exhibits, stipulations, admissions, *etc.*

III. BASIC STATUTES UNDERLYING U.S. PATENT INTERFERENCE PRACTICE

The primary statutes governing patent interference are 35 U.S.C. § 135, § 7, § 102(g), and § 104.

1. 35 U.S.C. § 135

a) The basic jurisdictional authority of the Commissioner to determine whether interferences should be declared between applicants, and between applicants and patentees, and to conduct such proceedings, is conferred by 35 U.S.C. § 135(a).

b) With Respect to Applicant versus Patentee Interferences, 35 U.S.C. § 135(b) also importantly provides that:

> A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an issued patent may not be made in any application unless such a claim is made prior to one year from the date on which the patent was granted. (emphasis added)

c) 35 U.S.C. § 135(c) and (d) relate to the filing of settlements in interferences, and the arbitration of interferences.

2. 35 U.S.C. § 7

The basic jurisdictional underpinning for the BOPAI to receive evidence on, and determine issues of both priority and patentability is 35 U.S.C. § 7 (amended November 8, 1984, Pub. Law 98-622, § 201(a), 98 Stat. 3386).

The statutory conferral of jurisdiction on the BOPAI to determine all issues of priority and patentability has made it irrelevant whether an issue is "ancillary" to priority.

3. 35 U.S.C. § 102(g)

Many of the basic concepts which underlie the date priority issues in interferences are introduced literally or by inference in the provisions of 35 U.S.C. § 102(g) which states that:

> A person shall be entitled to a patent unless -before the applicant's invention thereof the invention was made in this country[57] by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other. (endnote inserted and emphasis added)

4. 35 U.S.C. § 104

The limitation of proof of invention to evidence of acts in the U.S. or in NAFTA signatory countries finds support in 35 U.S.C. § 104, as amended December 8, 1993.

Prior to the NAFTA and anticipated GATT amendments, 35 U.S.C. § 104 provided the evidentiary advantage that favored a party who had domestic (U.S.) inventive activity over a foreign party who had no such domestic activity.

IV. THE BASIC PRINCIPLES OF PATENT INTERFERENCE PRACTICE

There are only a few basic, unchanging principles in interference practice.

A de facto first inventor, *i.e.*, the party who first actually or constructively reduces to practice an invention defined by the count or counts of the interference, and whose involved application or patent meets all the requirements of 35 U.S.C. § 112,[6] will prevail, *i.e.*, receive a favorable award of judgment in an interference, except in the following situations:

(a) when the de facto first inventor's opponent in the interference first conceived the invention and was diligent in the critical period;

(b) when the de facto first inventor has abandoned, suppressed or concealed its actual reduction to practice;

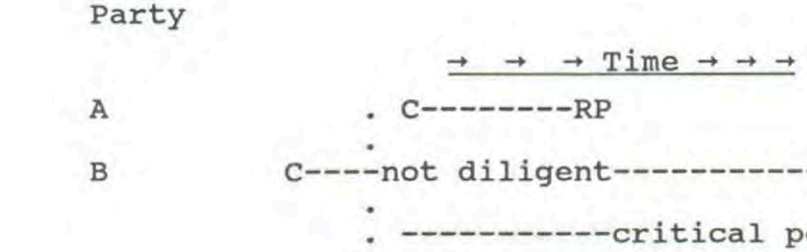
(c) when the de facto first inventor derived the invention from the opponent; or

(d) when the de facto first inventor has committed inequitable conduct (fraud).

A. Date Priority

A few examples[7] will serve to illustrate the most frequently encountered scenarios in patent interference practice. In these examples the parties are A and B, the time line proceeds from left to right, and C indicates the date of conception, RP the date of reduction to practice, which may be an actual or constructive reduction to practice, and ARP the date of actual reduction to practice.

Example 1



In this case Party A wins because Party A was first to reduce to practice. While B was first to conceive, Party B was not diligent in the critical period. The "critical period" is the period of time from just prior to A's "entry into the field" by conception (C) up until to B's reduction to practice (RP).[8/]

Example 2

```
A                    C--------RP

B          C--------diligent---------------RP

                     ----critical period--
```

In Example 2, B wins because, while B was second to reduce to practice, B was first to conceive and was diligent during the critical period.

Example 3

```
A               C------------RP

B                  C------------RP
```

In Example 3, A wins because A was both first to reduce to practice and first to conceive. Diligence is irrelevant in such a case.

Example 4

```
A    C-----------ARP  (A) (Abandonment, etc.) ----CRP

B               C-------------RP
```

In Example 4, B wins because, although Party A was both first to conceive and first to actually reduce to practice, Party A abandoned its actual reduction to practice.

Note that -

- abandonment is only relevant where there has been an actual reduction to practice (ARP). One cannot abandon a conception, and,
- abandonment can be "purged" by the resumption of inventive activities by the abandoning party before the opponent's entry into the field (conception).[9/]

B. **Abandonment, Suppression, or Concealment**

35 U.S.C. § 102(g) states in part:

> A person shall be entitled to a patent unless ...before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed or concealed it.

Mason v. Hepburn,[10] although not the first case to treat the impact of abandonment, suppression or concealment in a priority contest, is probably the most famous case. Mason was clearly the de facto first inventor. He made his invention in 1887 but did not file an application until seven years later. He was spurred into filing when he saw a patent to Hepburn issue to the same invention. The Court held that although Mason was the de facto first inventor, Hepburn was the first inventor in the eyes of the law. This is called the " Mason v. Hepburn Doctrine."

For many years, this doctrine was applied strictly and included as a necessary ingredient the element of "spurring." However, in 1954, the C.C.P.A. in the case of Gallagher v. Smith[11] held that spurring "is not an absolute prerequisite to proper application of the [Mason v. Hepburn] doctrine."

Note that the fact that an early actual reduction to practice may be held to be abandoned is not necessarily fatal. If a subsequent actual reduction to practice is not abandoned, and is early enough, either alone or when coupled with a first conception and a sufficiently early resumption of activity, the party may prevail.

While the question of a de facto first inventor's standing to contest an interference, having abandoned, suppressed or concealed an early actual reduction to practice, was debated for many years, it now seems to have been resolved. In Paulik v. Rizkalla,[12] supra, the Federal Circuit clarified this long-standing question in interference practice, holding that, if one abandons an actual reduction to practice, one can subsequently resume activity on the invention and have the benefit of the date of resumed activity in an interference.

1. Inference of Abandonment, Suppression or Concealment of An Actual Reduction to Practice

The decisions of the C.C.P.A. in Peeler v. Miller;[13] Young v. Dworkin;[14] Horwath v. Lee;[15] and Shindelar v. Holdeman,[16] offer some guidelines as to the courts' attitudes with regard to questions of abandonment as the result of a long delay between actual reduction to practice and the filing of a patent application.

C. **Derivation - Originality**[17]

The terms derivation and originality are used interchangeably. Proof of derivation depends upon proof of the following two elements:

(1) a prior complete conception of the subject matter of the invention (within the scope of the count) by the party alleging derivation; and

(2) communication of that prior conception by the party alleging derivation to his opponent.

Communication of the "gist" or essence of an invention, as opposed to the complete conception, is sufficient, if what is communicated would enable one of ordinary skill in the art to construct and successfully carry out the invention. See Inoue v. Lobur[18].

The party asserting derivation has the burden of proving the charge.

Proof of derivation is absolutely determinative of the issue of priority in an interference.[19]

Any actual reduction to practice by the deriver, subsequent to receipt of the communication of the invention, inures to the benefit of the communicating party.[20]

Derivation has always been capable of being proved by evidence derived from activity in a foreign country. Proof of derivation outside the U.S. was not barred by 35 U.S.C. § 104, since it relates to inventorship, not to the date of invention.[21]

D. **Inequitable Conduct - Fraud**

The issue of inequitable conduct on the part of a party to an interference has historically been considered by the Board in resolving an interference. If found to have been committed, inequitable conduct can support an award of priority against the culpable party, even though that party may have been the de facto first inventor.

The promulgation by the USPTO of a proposed Rule 57 and the USPTO's policy against hearing the issue of fraud raised many questions about the viability of fraud issues in interferences; the USPTO, however, reconsidered its position, and now will decide the issue of fraud raised in an interference proceeding.[22/]

V. PROCEDURAL OVERVIEW AND CHRONOLOGY

A. **Procedural Overview**

A typical two party patent interference proceeds generally in the following stages:

1. Declaration
   - a. Application v. Application - Rules 603, 604, 605
   - b. Application v. Patent - Rules 605, 606, 607, 608
   - c. The Count - Rule 609
   - d. Claims Corresponding to the Count - Rule 609
   - e. Claims not Corresponding to the Count - Rule 609
   - f. Role of Examiner (Art Unit) - Rule 609
   - g. Role of Examiner (Member of Board) - Rule 610
   - h. Notice of Declaration - Rule 611
   - i. Benefit - Rule 609
2. Preliminary Statements - Rules 621-625
3. Motions
   - Preliminary Motions - Rules 633, 636
   - Other Motions - Rules 634, 635
   - In General - Rules 635-640

4. Trial (Discovery and Testimony) - Rules 671-688
   - Order of Parties
   - Special Testimony
   - Date Priority Testimony
   - Forms of Evidence
   - Declarations
   - Affidavits
   - Admissions
   - Stipulations
5. Record, Briefing, Final Hearing Before BOPAI - Rules 653, 654, 656
6. Decision By BOPAI - Rule 658(b)
7. Reconsideration by BOPAI - Rule 658(b)
8. Appeals to CAFC or U.S. District Court - Rules 301-304

B. **Chronology For Conduct of a Typical Interference**

The time schedule proposed by the USPTO for a typical two party patent interference is reproduced in the Manual of Patent Examining Procedure (M.P.E.P.), page 2301.01.

VI. ELEMENTS OF PROOF OF PRIOR INVENTION

The major elements in proving prior invention include proof of conception, diligence and actual reduction to practice. On these three issues rests the proper outcome of an interference which is decided on the basis of date priority; it is imperative that a party fully evaluate the merits of its case in these areas as early as possible. This is critical because a number of limiting events occur, particularly during the period for filing preliminary motions, that can substantially impact the later presentation of substantive evidence, e.g., the precise definition of the invention in contest (the count). A party who is not familiar with the substantive aspects of its case by at least the time period for filing preliminary motions may later find itself unable to present its best case for date priority.[23/]

A. **Conception**

It is frequently stated that an invention consists of two parts, the mental part and the physical part. The "mental" part is conception of the invention and the "physical" part is its reduction to practice. The classic definition of conception is given in Mergenthaler v. Scudder:[24/]

> The conception of the invention consists in the complete performance of the mental part of the inventive act. All that remains to be accomplished in order to perfect the act or instrument belongs to the department of construction, not invention. It is, therefore, the formation in the mind of the inventor of a definite and permanent idea of the complete and operative invention as it is thereafter to be applied in practice that constitutes an available conception within the meaning of the patent law.

1. Conception Must Be Of A Complete Invention

Conception is itself frequently subdivided into two parts -the first is recognition of the result to be accomplished and the second is development of the means to accomplish that result. Until the inventor has in mind the means as well as the desired result, he has not achieved a complete conception.

2. Conception Must Be Of An Operative Invention

Closely related to the requirement that the conception be of a complete invention, including both means and result, is that the conception be of an operative invention. In other words, the conception must be of a device, process, or composition that will operate to produce the intended result.[25/] A conception of an inoperative device will nevertheless be held to be a good conception if the inoperativeness can be cured by one of ordinary skill in the art.[26/] In short, the conception must be either of an operative invention, or of one which can be made operative by application of ordinary skill in the art.

3. Conception Must Be Definite And Permanent

This principle is a corollary to that first discussed -- that the conception must be of the complete invention. Where there

is evidence of continuing and extensive experimentation or design after an alleged conception, the BOPAI or Court may be led to the conclusion that the alleged conception was incomplete. See Bac v. Loomis.[27/]

4. Conception Must Be Of The Invention As Defined By The Counts

In the context of an interference, this principle may be paraphrased to say that the conception must disclose every element of an invention included within the scope of the count involved in the interference. Despite the fact that conception proofs may otherwise define a patentable invention, they will be of no avail in an interference, if they omit any element of the interference count.[28/] This requirement makes it absolutely critical that in the early stages of an interference a party examine its proofs to see whether it is in its interest to contest the interference on counts other than those proposed. To the extent that a party's proofs only support counts broader than those initially proposed, the party should attempt during the motion period to substitute a broader count as the interference issue. Conversely, where there is reason to believe that the proofs of the other party may be deficient, one should consider whether the counts can be modified to take advantage of that weakness.

5. Conception Must Be Disclosed And Corroborated

Conception, the mental step of invention, takes place in the mind of the inventor. From this statement of the obvious flow consequences critical to the law of conception. Most simple is the requirement that the conception must be that of the person or persons named as inventors in the interfering application or patent. Thus, one must not only show that there was a conception of the invention as of a critical date, but must also relate that conception to the specific inventors named in the involved application or patent; possession of the invention by the inventors must be confirmed by corroborating evidence.

B. **ACTUAL REDUCTION TO PRACTICE**

Once a conception is achieved, the inquiry turns to actual reduction to practice.[29/] If a party elects to rely solely on its application or priority date as a constructive reduction to practice, then the proofs are very simple.

One or more parties may, however, attempt to establish an actual reduction to practice.

As noted above, actual reduction to practice is the "physical" part of the two-part process of invention.

Speaking broadly, an actual reduction to practice is a tangible demonstration of the practical utility of the invention. Where a machine or article of manufacture is involved, actual reduction to practice requires that the device be placed in a tangible form and that its practical use for its intended purpose be demonstrated.[30/] In the case of a process, actual reduction to practice is achieved when the steps of the process are carried out in such a way as to demonstrate that the process works and produces a useful product,[31/] and that a satisfactory product is produced.[32/] In the case of a compound or composition of matter, actual reduction to practice is achieved by production and identification of the compound or composition and, if its utility is not obvious, demonstration of its utility by tests.[33/]

Apart from the foregoing generalizations, courts have held that a "rule of reason" or "common sense" should be applied to the facts of each case to determine whether a reduction to practice has been achieved.[34/]

C. **Diligence**

Diligence is an issue in an interference only where the party first to conceive is the last to reduce to practice.[35/]

Under these circumstances, the party who was last to reduce to practice can obtain an award of priority only if it makes the requisite showing of diligence. The philosophy underlying the requirement for diligence under these circumstances was summarized in Hull v. Davenport:[36/]

> Clearly it was the intent of Congress to assure the first inventor who had completed the mental act of invention that he should not be deprived of his reward by reason of delays which he could not reasonably avoid in giving his invention to the public. But we must bear in mind that it was not alone to reward the inventor that the patent monopoly was granted. The public was to get its reward and have the advantage of the inventor's discovery as early as was reasonably possible....

1. The Period of Diligence

The requirement for diligence begins just before the entry of an opponent into the field; this is the date of conception by the other party. In Scharmann v. Kassel,[37] it was held that diligence which began just one day after the competitor entered the field was too late. Diligence cannot begin with an excuse unless previous diligence has been shown.[38] Diligence must then continue to a reduction to practice, which can be either actual or constructive.[39] There is no requirement for diligence before the entry of the opponent into the field, even though conception may have taken place long ago. Further, once a reduction to practice has been established, the diligence becomes irrelevant; thus, if an actual reduction to practice is made, inactivity and delay in filing a patent application thereafter is not material in the absence of proof of abandonment, suppression, or concealment of the invention.[40] As will be discussed hereinafter, however, the recent decisions effectively raise an inference of abandonment, suppression or concealment if there is an unexplained delay on the order of about two years or more from the actual reduction to practice to the filing of the patent application.

2. Diligence Must Be Affirmatively Proved

The party upon whom the burden of showing diligence rests must prove his activities affirmatively. Corroboration is required. Courts will not indulge in speculation or assumption about unexplained lapses in activity during the critical period.[41]

The evidence of diligence must be evidence of specific activity and not mere generalization or allegation of activity.[42] As stated in Kendall v. Searles,[43] "the evidence must be specific as to dates and facts...to establish...diligence during the critical period."[44]

3. Diligence Must Be Continuous or Excused

The evidence of diligence must show continuous activity commencing prior to the entry into the field of the opposing party and continuing up to a reduction to practice. The evidence must account for all of the critical period and the court will not indulge in presumption or speculation as to the reasons for lapses.[45] Unexplained lapses of as little as one month can be fatal to diligence.[46] However, there can be lapses in activity if the reasons therefor are established by the evidence and are found by the court to be reasonable under all the circumstances.

4. Diligence Must Be Directed to Reduction to Practice of the Invention At Issue Or To Obstacles to Its Reduction To Practice

Generally speaking, work on a device which does not contain all the limitations of the interference count will not be considered diligence even though there is some similarity between them.[47] For example, it has been held that activity directed to a reduction to practice of the genus does not establish, prima facie, diligence toward a reduction to practice of a species within that genus.[48]

5. Attorney Diligence

As earlier stated, diligence may be utilized to link an early conception not only to an actual reduction to practice, but also to a constructive reduction to practice. In this case, the activities of the inventor and his attorney in deciding to file a patent application and in drafting, reviewing, revising, executing and forwarding the application may be used to establish diligence.[49]

VII. TYPES OF INTERFERENCES: APPLICANT V. APPLICANT AND APPLICANT V. PATENTEE

An interference may be declared between (1) two or more co-pending applications and (2) between one or more applications and one or more patents.

A. Applicant/Applicant Interferences

1. Examiner Finds Interfering Applications

An interference between pending applications will not be declared unless there is less than three months between their effective filing dates in the event of simple subject matter or less than six months between their effective filing dates in those cases in which the subject matter is complicated.

According to USPTO procedure, when an examiner finds that applicant A's case is in condition for allowance, he makes an interference search.

2. Applicant Seeks Interference with Another Application

Rule 604 covers the circumstance which occurs when an applicant seeks to have an interference declared with another application. One might become aware of an interfering application through publication of a European counterpart claiming priority from a U.S. application, or perhaps one may be notified that a product you are selling is covered by pending claims of another.

In any event, the Applicant suggests a proposed count and presents a claim corresponding to the count and supported by applicant's disclosure. In this situation, if a party suggests the proposed count, it is critical that the party has reviewed any priority proofs before suggesting the count. The Applicant should identify the other application as fully as possible, and explain why an interference should be declared.

B. Applicant/Patentee Interferences

Interferences between applications and patents are covered by Rules 606, 607 and 608.

An applicant can be involved in an interference with a patent generally in the following two ways:

- an application may be rejected by the examiner over a patent which claims the same invention. In that case, if the applicant wishes to overcome the rejection, he may attempt to provoke an interference by copying the claim or claims of the patent covering his invention; or
- an applicant may identify a patent which contains claims to an invention which he believes is disclosed and claimed in a pending, or, to be filed application. The applicant can then attempt to provoke the interference by copying the claim of the patentee in applicant's pending or new application.

In any case, of course, the interference will not be declared if the applicant copies the claims of the patentee more than a year after the issue date of the patent. The only exception is if the applicant can prove to the satisfaction of the examiner that he has presented claims in his application to the same or substantially the same invention as the copied claim of the patentee within the one year period.[50/]

VIII. DECLARATION OF PATENT INTERFERENCES

The process of the Declaration of an interference begins in the Art Unit. At that point, the Examiner has made a determination that there is interfering subject matter between the applications and/or patents of at least two parties according to the procedures of Rules 603-608 discussed, *supra*.

Rule 609 governs the preparation of interference papers by the Examiner in the Art Unit.

After declaration, under Rule 610 the interference is assigned to an Administrative Patent Judge (APJ) who is a member of the board. Assignment is based on the subject matter of the involved technology, as well as relative workloads of individual APJ's.

The declaration of the interference by the APJ/BOPAI is governed by Rule 611.

The Notice of Declaration of Interference contains critical information which should immediately be analyzed with a view towards determining one's overall interference strategy. In a typical case, preliminary motions will be due within three months from the date of the notice, and issues relating to the propriety of the count(s), claims designated, benefit of earlier applications, etc., which must be raised at the preliminary motions stage, cannot be let go until the last minute (motions are discussed hereinbelow).

When the interference is declared, ex parte prosecution of any involved application is suspended.

Rule 617 relates to summary judgment against an applicant in an application/patent interference. The APJ will review the evidence filed by the applicant under Rule 608(b) to determine if the applicant is prima facie entitled to a judgment relative to the patentee. If the APJ says that the applicant has made a prima facie showing, the interference will proceed in a normal manner. If, however, the APJ concludes that the evidence does not show that the applicant is prima facie entitled to a judgment relative to the patentee, the APJ will, concurrently with the notice declaring the interference, enter an order stating the reasons for the opinion and directing the applicant, within a set time period, to show cause why summary judgment should not be entered against him.

In such a case, the applicant, whose effective filing date is more than three months subsequent to the effective filing date of the patentee, has made a showing of prima facie priority, but the showing is not convincing. As a result, the APJ will, at the same time he issues the notice declaring the interference, enter an order stating the reasons for the opinion adverse to the applicant and directing applicant show cause why summary judgment should not be entered against him.

IX. PRELIMINARY STATEMENTS

A. Filing, Notice, Access

The rules governing the preliminary statement are Rules 621 through 630.

Filing of a preliminary statement is not mandatory, but if a party does not file one, that party will be restricted to its effective filing date accorded in the notice declaring the interference,[51/] or on grant of a motion for benefit.

Frequently, the date for filing preliminary statements and serving notice of filing is the same date on which preliminary motions under Rule 633 fall due.

Preliminary statements are not served on the opponents at this point. While the declaration of the interference, i.e., Rule 611, may specify the time for (1) filing the preliminary statement as provided in Rule 621, and (2) serving notice that a preliminary statement has been filed, as also provided in Rule 621, there is no requirement or date set for service on the opposing party. The opposing party only receives a copy of the preliminary statement when the APJ orders it to be served on the opponent. The preliminary statement is filed in a sealed envelope, with the external notation that it is only to be opened by the APJ under Rule 627. The APJ usually only directs service and opening of preliminary statements after the decision on preliminary motions has been entered.

B. Contents of the Preliminary Statement

The preliminary statement must identify the inventor who made the invention, as defined by each count, and must state on behalf of the inventor the facts required by paragraph (a) of Rules 623, 624 and 625 as is appropriate.

The general requirements of a preliminary statement are set forth in Rule 622. Section (a) of this rule is the result of a change in the statute by which Section 116 of Title 35 has been amended under the "Patent Law Amendments Act of 1985" to essentially state that each of the joint inventors need not make a

contribution to the subject matter of every claim in a patent or application.

Accordingly, in the case of joint inventorship, the preliminary statement filed would have to identify which inventive entity made the invention defined by each count.

Another provision of Rule 622(a) is that when an inventor identified in the preliminary statement is not an inventor named in the party's application or patent, the party shall file a motion under Rule 634 to correct inventorship. Note that the filing of such a motion to correct inventorship is mandatory.

The statement shall also state whether or not the invention was made in the United States or abroad. If it was made abroad, the preliminary statement shall state whether the party is entitled to the benefits of the second sentence of 35 U.S.C. § 104 (See Rule 622(b)).

Rule 624 relates to inventions otherwise not covered by 623 -- that is, inventions made "abroad." Note here that if the invention is "made abroad," and one intends to rely on "importation of the invention into the United States," one has the burden to prove a "date of introduction into the United States."[52/] Rule 624 otherwise essentially tracks Rule 623.

The rules regarding preliminary statements, as applied to "inventions made abroad," will no doubt be changed to accommodate NAFTA and GATT.

Rule 623(b) also provides that, if one intends to prove derivation, one must comply with the requirements of Rule 623, and also those of Rule 625, which requires a party to particularize its allegations of derivation.

C. **Correction of Preliminary Statements**

Rule 628 relates to correction of an error in the preliminary statement. Such corrections may be made under the miscellaneous motions provision, new Rule 635. Note the requirement that such action be taken "promptly." In a case where a mistake is discovered after filing the statement, but prior to service on an opponent, one would be better served by filing a motion for leave

to correct the statement and attaching the amended statement right away, even at the risk of "giving away one's dates" at a time earlier than one might otherwise have been required. (The motion for leave must, of course, be served on the opponent.)

D. **Legal Effect of Preliminary Statement**

Rule 629 relates to the legal effect of a preliminary statement. A party will be held strictly to any date alleged in the preliminary statement. For instance, if the evidence tends to show that an act alleged in the preliminary statement occurred prior to the date alleged in the later statement, this will establish only that the act occurred as early as the date alleged in the later statement. (See Rule 629.)

If one does not file a preliminary statement, one is restricted either to the date of filing of the involved case, or its effective date, provided one is able to obtain benefit. In addition, one will not be able to prove that the invention was made prior to one's effective filing date. One will also be unable to prove that one's opponent derived the invention.

If one does not file with one's preliminary statement, despite allegations thereof, copies of a first drawing or first written description, one is restricted to one's effective filing date for these allegations. This of course is in the absence of a correction, as provided in Rule 628 to be effected by a miscellaneous motion.

E. **Supplemental Preliminary Statement**

As the result of motions decisions, under Rule 640, the APJ may set times for supplemental preliminary statements as directed, e.g., to new counts, changes in inventorship, etc.

X. COUNT FORMULATION AND DESIGNATION OF CLAIMS

A. **Introduction**

A count is a statement in claim format which defines the interfering subject matter in any interference. It may or may not be the same as the claim(s) of any party to the interference and need not be patentable to any party. In fact, a "phantom" count

which is broader than any party's disclosure is never patentable to any party.[53/]

The distinction between a count(s) and the claim(s) of any party to an interference must always be kept in mind, since the specification of an application or patent involved in an interference may not necessarily support any count(s) in the interference under 35 U.S.C. § 112, but the specification must support a claim(s) in the application or patent which claim is designated as corresponding to the count in the interference. An excellent example of the differences between "support" for a count (not necessary) versus support for a claim (necessary) is presented in Squires v. Corbett.[54/]

Each count must define a "separate patentable invention." The reason that a second count must define a separate patentable invention is to permit the PTO to lawfully issue separate patents to different parties in an interference when a single party does not prevail as to all counts, i.e., in the event of a "split award of priority" or "split award of judgment," *e.g.*, where one party is awarded judgment as to one count and another party is awarded judgment as to another count.

M.P.E.P. § 2305 provides that the count must be patentable over the prior art.

M.P.E.P. § 2309.01 also provides that a count may not be so broad as to be unpatentable over the prior art, and if a count cannot be made sufficiently broad in scope as to embrace the broadest corresponding patentable claims of the parties without being unpatentable, that would indicate either that the parties' corresponding claims are unpatentable or, perhaps, if the parties' claims do not overlap, that they are drawn to separately patentable inventions and that there is "no interference in fact."

The intent of the rules is that all the claims in an application or patent which define the same patentable invention as a count will be designated as corresponding to that count.

Since the exact count(s) involved in an interference has a substantial impact on the scope of priority proofs (since each count defines a separate patentable invention), it is clear that count formulation and claim designation is a critical aspect of interference practice.

While the Rules involve early opportunities to affect the ultimate count(s) in an interference and the claim(s) designated as corresponding to these count(s), e.g., Rule 605 and Rule 607, the major means to affect count formulation and claim designation is during the motions period under Rule 633(c).

B. Counts and Designated Claims in the Declaration of Interference

Once the Examiner, who will have full signatory authority, determines that an interference should be declared, he proceeds under Rule 609 to prepare and forward papers to the Board, including a statement identifying, among other things:

(1) the proposed count(s);

(2) the claim(s) of each party corresponding to each count, and stating whether the correspondence of the claims to counts is exactly or substantially; and

(3) the claims in any application deemed patentable over the count(s).

The Rule 609 information is transmitted to the Board by the Examiner, and, under Rule 610, responsibility for the interference is assumed by an APJ. The APJ, if in agreement with the opinion of the Examiner, will then declare the interference.

The APJ can designate additional claims as corresponding to the count(s), and may hold a conference with the parties to consider amending the counts.

XI. PRELIMINARY MOTIONS PRACTICE

Under Rule 636, the APJ who is assigned to an interference sets a time period within which the parties shall file preliminary motions under 37 C.F.R. § 1.633. The time for filing preliminary

motions, opposing preliminary motions, *etc.*, is often referred to as the "motions period."

Preliminary motions under Rule 633 primarily comprise the following:

a) Rule 633(a) - motions that the invention is unpatentable to the opponent, and perhaps to oneself as well, based upon:

i) lack of claim support under 35 U.S.C. § 112;[55/],[56/],[57/];

ii) prior art;

iii) inoperability;[58/]

b) Rule 633(b) - No interference in fact[59/];

c) Rule 633(c) - Motions to redefine

- by adding or substituting a count (Rule 633(c)(1));
- by amending or adding a claim corresponding to a count (Rule 633(c)(2));
- by designating a claim as corresponding to a count (Rule 633(c)(3));
- by requiring an opponent to add a claim and have it designated as corresponding to the count (Rule 633(c)(5));
- by moving to substitute an application or declare an additional interference (Rules 633(c) and (d));
- by moving for benefit of an earlier effective filing date or to deny the opponent benefit of an earlier date accorded in the declaration of interference (Rules 633(f), (g), and (j)).

XII. THE TRIAL: DISCOVERY, TESTIMONY, RECORD, HEARING

If an interference survives the motions period and is not otherwise settled or terminated, it will ordinarily proceed to trial, i.e., it will proceed through discovery, the presentation of testimony, the creation of an evidentiary record and Final Hearing before the Board.

As discussed in greater detail below, discovery is required to be provided in connection with the presentation of a party's own testimony.

Other discovery may be sought during cross-examination of a party's testimony under Rule 687(b).

Additional discovery may be sought by motion under Rule 687(c).

Testimony is the evidence that a party seeks to make of record in the interference by deposition, declaration or affidavit, stipulations, or otherwise.

Information gained by "discovery" is not necessarily "testimony" and therefore may not be part of the record upon which a party may rely at final hearing. This distinction must always be kept in mind. Likewise, affidavits under Rule 131 and 132 filed during ex parte prosecution, and affidavits filed in the declaration and motion stages of an interference also are not automatically part of the record.

Normally, if, after motions have been decided, the interference is to proceed, the APJ will issue an order setting forth a time schedule for discovery and testimony. The time periods usually assigned for such purposes are found in the table in M.P.E.P., page 2301/01.[60/]

Testimony periods may be assigned to parties for either (or both) purposes of developing a) non-priority issues, e.g., operability, no interference-in-fact, unpatentability, etc., and/or b) date priority issues, e.g., conception, actual reduction to practice, diligence, abandonment, derivation, etc.

A. **Discovery**

In the trial of an interference, the procedures for discovery and testimony have a tendency to intertwine. To avoid possibly fatal errors, the procedures for obtaining and using discovery must be understood and kept in mind throughout the proceeding.

1. Compelled or Mandatory Discovery In Support of a Party's Testimony-in-Chief (Rules 672 and 673)

The compelled "discovery" under Rules 672 and 673 is no more than a requirement that the party presenting testimony give its opponent an advance look at its testimony prior to cross-examination by the opposing party. The purpose of such "discovery" is merely to allow reasonable time for the cross-examiner to study the evidence, before having to propound cross-questions.

2. Discovery Under Rule 687(b)

Something approaching "true" discovery, although not nearly so broad in scope as discovery under the Federal Rules,[61/] is permitted under Rule 687(b), which states:

> Where appropriate, a party may obtain production of documents and things during cross-examination of an opponent's witness or during the testimony period of the party's case-in-rebuttal. (Emphasis added.)

3. Additional Discovery Under Rules 635 and 687(c)

Additional discovery may be sought by motion under Rule 635 pursuant to Rule 687(c).

Most importantly, Rule 687(c) requires that the moving party make a showing that the "interest of justice" requires the additional discovery. The commentary to the new rules makes it clear that the standard for obtaining discovery is not changed. Thus, the decisions rendered under prior Rule 287(c) will continue to be pertinent.

4. Discovery By Agreement Under Rule 687(d)

Rule 687(d) provides as follows:

> The parties may agree to discovery among themselves at any time. In the absence of an agreement, a motion for additional discovery shall not be filed except as authorized by this subpart.

This provision should not be overlooked, since it provides a very efficient method to save time, effort and expense in conducting an interference.

5. Federal Court Discovery/Testimony In Aid of Patent Interferences

Discovery or testimony as to witnesses whose testimony must be compelled is provided for under 37 C.F.R. § 671(g), § 672(c), and § 673 and 35 U.S.C. § 24. This applies to witnesses not under the control of a party.

Rule 672(c) states:

> A party wishing to take the testimony of a witness whose testimony will be compelled under 35 U.S.C. 24 must first obtain permission from an examiner-in-chief [now APJ] under § 1.671(g). If permission is granted, the party shall notice a deposition of the witness under § 1.673 and may proceed under 35 U.S.C. 24. The testimony of the witness shall be taken on oral deposition.

As will be seen, for permission of the APJ to obtain compelled discovery or to prevent compelled testimony under 35 U.S.C. § 24, the party must also comply with the deposition notice procedures of Rule 673.

B. **Testimony**

1. Introduction

The Testimony Period in an interference is that stage during which parties attempt to introduce evidence into the "record" of the interference which can then be relied upon in support of the positions taken before the Board at Final Hearing.

Discovery per se is not ordinarily in the record of the interference unless steps are taken to make the discovery part of the record.[62/]

Testimony Periods may be assigned to the parties by the APJ to present evidence relating to either or both non-date priority and date priority.

The principal rules regarding the presentation of evidence and development of a record in interference are Rules 651 to 688.

Testimony in an interference is not presented live to the triers of fact, as is the case in U.S. District Court, and ITC 19 U.S.C. § 1337 procedures. Thus, the triers of fact, the members of

the Board, depend upon a "paper record" as the basis for their findings of fact, conclusions of law, and decisions.

For the foregoing reason, it is extremely important that a party submit a record that is clear, i.e., understandable to the reader, and complete, i.e., covers all the necessary elements of proof on each issue, and leaves nothing to assumption or inference by the Board.

2. Practice for Presenting Testimony

a) Testimony may be presented by affidavit (declaration), or by oral deposition, or by a combination of these two procedures.

b) In order to rely upon an affidavit, e.g., a Rule 131 or 132 affidavit, which has been submitted in the prosecution of an application or patent involved in an interference, or upon a Rule 608 affidavit submitted in the interference, a party must give notice of such reliance and serve a copy of the affidavit and exhibits, if any, on the opposing party.[63/] Under the old rules as construed in Holmes v. Kelly,[64/] such Rule 132 affidavits were considered to be part of the interference record.

c) Likewise, affidavits in support of motions under Rule 639(b) or under Rule 608 (applicants' *prima facie* showing of invention prior to effective filing date of patentee) are not in evidence unless served and a notice of reliance is filed and served pursuant to Rule 671(e);

d) Before seeking to obtain testimony by subpoena or subpoena duces tecum under 35 U.S.C. § 24, a party must first obtain the permission of the APJ.

e) Prior to noticing oral depositions as part of one's testimony, a party must -

i) serve a list and copies of the documents, and a list of things in its possession, custody and control upon which it intends to rely.[65/]

ii) hold an oral conference with all opposing counsel to agree on a mutually acceptable time and place. If the parties cannot agree, the examiner-in-chief will set the time and place.[66/]

iii) serve on the opposing party a single notice of deposition specifying the witnesses and the general nature of their expected testimony. The notice of deposition follows the service of documents and conference call.[67/]

f) The new rules require notice of intent to raise the issue that your opponent has abandoned, suppressed, or concealed its invention. The notice must be filed ten (10) days after the close of the opponent's testimony-in-chief. The old rules contain no such requirements.[68/]

g) 35 U.S.C. § 135 has been amended to provide for the trial or settlement of interferences by arbitration. The extent to which arbitration will reduce the burden on the PTO and the Board is purely speculative, but the provision certainly encourages parties to reach an award outside the normal PTO interference trial practice.[69/]

3. Time Schedule

The time frame of an interference trial will be set by the APJ under Rule 651. The notice will set times for junior party case-in-chief testimony, senior party's case-in-chief and rebuttal testimony, and junior party rebuttal testimony.[70/]

A party is entitled to take testimony with respect to its case-in-chief if:

- the party alleges a date of invention in its preliminary statement that is prior to the earlier of the senior party's filing date or effective filing date, or
- a testimony period has been granted to an opponent to prove a priority date earlier than the date of invention alleged by the party in its preliminary statement.[71/]

Testimony periods can also be granted pursuant to Rule 639(c) in support of motions under Rule 633 (preliminary motions), Rule 634 (motions to correct inventorship), or for good cause.

4. Types of Testimony (Evidence) in Interferences

Under Rule 671, evidence in interference will consist of

-- testimony, i.e., affidavits (declarations), oral depositions and any other form of testimony agreed to by the parties, e.g., stipulated testimony, stipulated facts, etc. Care must be taken to follow the rules for testimony carefully or risk exclusion;[72/]

-- exhibits - the documentary or other exhibits must be discussed with particularity by a witness during oral deposition or in an affidavit;

-- official records and publications pursuant to Rule 682;

-- evidence from another interference proceeding, or action pursuant to motion under Rule 683;

-- if otherwise admissible, discovery relied upon under Rule 688, i.e., admissions, answers to written interrogatories. A written notice of reliance on such discovery should be filed during the relevant testimony period;

-- the specification, claims, and drawings of any application or patent, which is involved or which was the basis for benefit or a motion for benefit; note again, however, that affidavits in the file history of an application or patent, and affidavits under Rules 639(b) and 608, are not in the evidentiary record unless the procedures of Rules 671(e) and 672(b) are followed;

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-- testimony taken under 35 U.S.C. § 24, after permission is granted by the examiner-in-chief to pursue such testimony upon motion under Rule 635, and 671(c);

-- with respect to the "shop book rule" and evidence in interferences, in the comments on the adoption by the PTO of the Federal Rules of Evidence, which include Federal Rule of Evidence 803(6),[73] the PTO notes that there is no change in its position, although some outside commentators perceived such a change. The PTO takes the position that it has followed and will continue to follow admission of evidence under the "shop book" rule as set forth in Alpert v. Slatin,[74] and Elliot v. Barker.[75]

XIII. EVIDENCE IN U.S. PATENT INTERFERENCES

Since, in the future, the NAFTA signatories, and likely the GATT signatories as well, will be afforded the right to prove prior invention by presenting evidence of activity in their respective home countries, it will be critical that patent agents and attorneys in these countries familiarize themselves with the types of evidence that have traditionally been found sufficient to prove prior invention according to the case law that has been developed in the U.S. over many years.

The prior activities which may be proved must have occurred after the date specified in the NAFTA amendment to 35 U.S.C. § 104, and whatever date will be specified in the anticipated GATT amendment to 35 U.S.C. § 104 (probably after January 1, 1995).

In law, the term "evidence" refers to something presented to a court or other tribunal (such as the BOPAI) which tends to establish a point in question.

As seen in the preceding discussion of the trial of an interference, evidence may take many forms.

The relevant statutes and rules do not mandate any particular form of or method for an inventor to create and preserve evidence to prove the scope and date of a given invention.

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The credibility of an inventor's testimony and testimony of corroborating witnesses, however, is greatly enhanced by the *creation and preservation of written documentation*, which can be authenticated as to author and date, and by the retention of things, *e.g.*, test data, samples of compositions, products, machines, *etc.*, which likewise can be authenticated.

Purely oral testimony may in some cases be accepted as adequate proof of prior invention, but memories, often stretched back over many years, are notoriously unreliable, and oral testimony alone, unsupported by documentary or other tangible evidence, is often rejected.

Therefore, in order to enhance the prospects of success in future U.S. patent interferences, patent agents and attorneys should counsel their clients to follow appropriate practices so that credible evidence of prior invention is available, if needed in a future U.S. patent interference.

While not required by law or rule, most well organized research programs in the U.S. have an established practice for creating written documentation useful as evidence of prior invention.

A. **Typical Documentation**

This normally involves the preparation of the following documents:

1) the inventor's written description of the conception of the invention including how to make and use the invention. The written conception is communicated to one or more non-inventors who may also sign and date the conception document, and indicate that they have read and understood it;

2) activity directed to actual or constructive reduction to practice is also recorded in writings, drawings, data tabulations, *etc.*, which are likewise witnessed by a corroborating witness(es);

3) written reports of efforts to actually reduce the invention to practice are likewise created and witnessed. Such reports include testing of the invention and hopefully note the point at which "success" has been achieved;

4) patent agents or attorneys also keep chronological written files of their communications with the inventors and their efforts culminating in the filing of a patent application. These records may be introduced to prove "attorney diligence" towards a constructive reduction to practice;

5) there also ordinarily are requirements imposed by employers for scientists and engineers to make regular, written reports, *e.g.*, weekly, monthly, or quarterly, to management summarizing R & D results.

B. **Laboratory Notebooks**

The most common documents used by research scientists and engineers in the U.S. to record their invention activities is the "Laboratory Notebook."

A Laboratory Notebook is usually a bound book with serially numbered pages which is issued by the R & D Department to each person engaged in R & D.

The book is ordinarily numbered and formally issued to each person on a date noted in the book, and is likewise recovered by the R & D Department when completed, and dated. Provision is made on each page for:

- the signature of the person making the entries on the page;
- the date of such entries and signature;
- the signature of a witness (corroborator) indicating that the entries have been read and understood;
- the date of such witnessing.

Ideally the notebooks are signed, witnessed and dated at the close of each day. This practice is rarely followed in a rigorous

way due to human nature, but many R & D Departments do rigorously enforce the procedure on at least a weekly or monthly scheduled.

Related documents, such as test data recorded in analytic charts, computer printouts, *etc.*, or on slides, photos, *etc.*, are often referenced in the notebook at the relevant point, and may be physically attached to or kept in a file with the notebook.

For the integrity of the Laboratory Notebook as evidence, pages should not be inserted or removed, and entries should be made in permanent form, *e.g.*, by non-erasable ink entries.

This topic alone could consume a lengthy lecture, but the foregoing provides the basic information on the topic.

XIV. MISCELLANEOUS TOPICS

A. Arbitration Under the New Rules

35 U.S.C. § 135(d), provides for arbitration of patent interferences.

B. Appeal from Decision of Board

A party dissatisfied with the final decision of the Board of Patent Appeals and Interferences may appeal[76/] to the Federal Circuit under 35 U.S.C. § 141. The opposing party in such an appeal may move to dismiss, and elect to have further proceedings under 35 U.S.C. § 146.

A dissatisfied party alternatively may seek reversal of the Board's decision by civil action in a U.S. District Court under 35 U.S.C. § 146.

Appeals from interlocutory decisions may also be taken to the Federal Circuit and U.S. District Courts under the Administrative Procedures Act and by Petition for Writ of Mandamus.

1. Election Practice

If a petition of appeal is filed with the Federal Circuit by a dissatisfied party in an interference, any adverse party in the interference may elect to have further proceedings in the case conducted under 35 U.S.C. § 146. This is done by filing a notice of election with the U.S. Patent and Trademark Office under 35

U.S.C. § 141 within twenty (20) days of the filing of the notice of appeal under 35 U.S.C. § 142. This disposes of the Federal Circuit appeal as though no notice of appeal had ever been filed.

2. Simultaneous Routes of Review -- *In re Van Guens*

In a recent case, In re Van Guens,[77] the Federal Circuit permitted an appeal to the Federal Circuit by one party to proceed simultaneously with a civil action instituted pursuant to § 146 by the other party. Both parties, Brown and Van Guens, lost at the Board level, the Board having found all involved claims of each party unpatentable over prior art. Van Guens appealed to the Federal Circuit, while Brown instituted a civil action. Van Guens sought to enjoin the civil action during the pendency of the appeal. At least in this unique situation, the Federal Circuit found that the controlling statutes, 35 U.S.C. §§ 141 and 146, did not preclude the simultaneous routes of review.

C. **Termination and Settlement of Interferences**

Rule 662[78] (largely embodying the provisions of old Rules 262 and 263) provides that:

(a) at any time during the pendency of an interference, a party may request and agree to entry of an adverse award of priority, and

(b) any of the following acts will be treated as a request for an adverse judgment against the party, applicant or patentee, as to all claims which correspond to the count(s):

-- disclaimer of the invention defined by a count
-- concession of priority as to a count
-- concession of unpatentability of a count
-- abandonment of the invention of a count
-- abandonment of the contest as to a count
-- abandonment of the application in interference, other than a reissue applicant where a claim of the patent sought to be reissued is in interference.[79]

Upon the filing by a party of a request for entry of an adverse judgment, the Board may enter judgment against the party.[80/]

The Board may also enter judgment against a party patentee who files a reissue application which omits all claims of the patent corresponding to a count(s) in the interference.[81/]

An entry of an adverse judgment as to the patentee will also result if a patentee, under 35 U.S.C. § 253, disclaims all claims corresponding to a count(s) in an interference.

The filing of settlement agreements in interferences is required by statute, 35 U.S.C. § 135(c).

D. Post-Interference Ex Parte Practice-Estoppel

1. Introduction

The subject of ex parte practice after termination of the interference is concerned with the question, "What happens to the applications and patents of the interfering parties following termination of the interference?"

In discussing this subject, it is convenient to try to answer the above question separately for three different categories of claims:

- those involved in the interference,
- those not patentably distinct from the counts, and
- those which are neither involved nor directed to the same patentable invention as the counts, but could nevertheless have been contested in the interference. ("estoppel")

2. Involved Claims

a) Where the Interference Is Concluded By Adverse Award of Priority

If the losing party is an applicant, the involved claims stand finally disposed of without further action; if the losing party is a patentee, the involved claims are cancelled from the patent.

b) Termination of the Interference by Grant of Motion

Preliminary motions are decided by an APJ who is a member of the Board (35 U.S.C. § 7). If the decision, for example,

is that one party cannot support claims corresponding to the count, the losing party is either placed under an order to show cause (§ 1.640(d)) or may file with the Board a request for reconsideration (§ 1.640(c)). If the decision is adhered to, there will be an adverse judgment, resulting in final disposition of a losing applicant's claims or cancellation of a losing patentee's claims. Of importance is the fact that all corresponding claims are involved claims and will be handled by the judgment in the interferences.

Although the new rules provide for an award of judgment in the event of no interference-in-fact,[82/] such an award would not be adverse to either party, and each would be entitled to allowance of his respective claims upon return to ex parte prosecution.[83/]

3. Claims Not Patentably Distinct From The Count

Under the prior practice, the general rule was that a count lost on date priority constituted prior art with respect to the losing party's uninvolved claims. However, the case of In re McKellin,[84/] created an anomalous exception which, it is believed, constituted part of the impetus for the issuance of new interference rules.

Thus the time for arguing that certain claims define separate patentable inventions from the count is during the interference, particularly by way of a motion under § 1.633(c), "to redefine the interfering subject matter by ... (4) designating an application or patent claim as not corresponding to a count."

Once the interference has been terminated, there will be no ex parte prosecution of the claims designated as corresponding to the count. They will be treated as involved claims.[85/]

4. Estoppel

The doctrine of interference estoppel stems from the judicial objective of minimizing litigation and ensuring that all issues then existing between parties engaged in an interference are determined in that interference.[86/]

The doctrine conventionally is invoked as a basis (1) for refusing to institute a second interference between the same

parties and (2) for rejecting, during ex parte practice, claims drawn to subject matter common to both interfering parties' cases, but patentably distinct from the issue of the interference.

The present rules attempt to reduce or eliminate the complexity of estoppel, while at the same time expand it to insure that every issue which can be contested in a single interference will be finally determined by that interference.

The rules provide a specific section added to delineate the scope of estoppel,[87] Rule 658(c).

Thus, under the rules, a losing senior party will now be estopped from claiming uncontested subject matter common to both parties' applications, or application and patent, irrespective of the basis for an adverse judgment. The only exception in Rule 658(c) to the application of estoppel to a losing party occurs in the special circumstance where a losing party has been awarded a favorable judgment as to a count. With respect to claims which correspond or could have corresponded to such a count the losing party "won", and will not be subject to interference estoppel.

Another change pertains to the application of estoppel to other applications of a party. Section 1.633(e) pertains to motions to declare an additional interference, but unlike predecessor § 1.231(a)(3), no longer specifies that subject matter of the additional interference must be common to the moving party's involved application or patent as well as his other application, which will be added to the new interference. It appears that in view of this change, and the rather encompassing language of § 1.658(c), a losing party will be estopped from obtaining claims in any other commonly owned application which are directed to subject matter commonly disclosed in the opposing party's application or patent, irrespective of whether the subject matter is contained in his involved application.

The following illustrates the general applicability of interference estoppel in certain situations where a party fails to move under 37 C.F.R. § 1.633(e) to have declared an "additional

interference," or to add a count, on a separate patentable invention.

Party's non-involved application	Opponent's involved application or patent	Estoppel
Claimed	Claimed	Yes
Disclosed	Claimed	Yes
Claimed	Disclosed	Yes
Disclosed	Disclosed	No

Whether the Courts follow this chart remains to be seen.

Estoppel under the present rules will be applied to reject a losing party's claims which the party could only have added to the interference via a modified or phantom count. The language of § 1.658(c) makes estoppel specifically applicable to failure to file an appropriate motion under § 1.633(c). In the event there is common subject matter in the applications of opposing parties, yet no claim can be drafted which will be supported by both disclosures, either party can nonetheless move under § 1.633(c) to add a count and propose claims for each application to correspond to the count (§ 1.637(c)(i)-(iii)). The claims need not be identical to each other nor to the proposed count. By the language of § 1.658(c), failure to so move by either party would seem to provide an estoppel basis for rejecting claims to that common subject matter in the losing party's application. A similar result would seem applicable in the case of a losing applicant who failed to copy a claim in modified form from a patent.

XV. CONCLUSION

While complex, U.S. patent interferences conducted under changes of law due to NAFTA and GATT, will become an increasingly important area of practice for foreign parties to interferences.

It is hoped that this paper and my accompanying remarks will prove to be useful to you.

Thomas J. Macpeak

ENDNOTES

[1/]. North American Free Trade Act.

[2/]. General Agreement on Tariffs and Trade (Uruguay Round).

[3/]. June 1994.

[4/]. There is also a lively debate in progress as to whether and what other statutory changes (35 U.S.C.) and rule changes (37 C.F.R.) will be needed to implement fully NAFTA and GATT. For example, statutory changes to 35 U.S.C. §102(g), and rules changes in the 37 C.F.R. §1.601 *et seq.* series of interference rules, are under consideration.

[5/]. As of May-June 1984, debate was continuing as to whether 35 U.S.C. §102(g) should be amended to delete the "in this country" provision in order to satisfy the "national treatment" provisions of NAFTA and GATT.

[6/]. Patents and applications in interference can, of course, also be attacked on the grounds of inoperability and unpatentability under 35 U.S.C. §§ 101, 102 and 103.

[7/]. In Example 1, and the following examples, it is assumed that 35 U.S.C. § 112, derivation, abandonment, suppression or concealment, and fraud issues are not present.

[8/]. See 35 U.S.C. § 102(g).

[9/]. Paulik v. Rizkalla, 226 U.S.P.Q. 224 (Fed. Cir. 1985), appeal after remand, 230 U.S.P.Q. 434 (1986).

[10/]. 13 App. D.C. 86, 1898 C.D. 510.

[11/]. 99 U.S.P.Q. 132, 139 (C.C.P.A. 1953).

[12/]. See Supra note 9 and accompanying text.

[13/]. 190 U.S.P.Q. 117 (C.C.P.A. 1976).

[14/]. 180 U.S.P.Q. 388 (C.C.P.A. 1974).

[15/]. 195 U.S.P.Q. 701 (C.C.P.A. 1977).

[16/]. 207 U.S.P.Q. 112 (C.C.P.A. 1980), cert. denied, 210 U.S.P.Q. 776 (U.S. 1981).

[17/]. It should be noted that if you intend to prove derivation your preliminary statement should comply with 37 C.F.R. § 1.625.

[18]. 195 U.S.P.Q. 256 (Bd. Pat. Int. 1976).

[19]. Spiner v. Pierce, 177 U.S.P.Q. 709 (Bd. Pat. Int. 1972).

[20]. Chamberlain v. Kleist, 46 U.S.P.Q. 93 (C.C.P.A. 1940).

[21]. Hedgewick v. Akers, 182 U.S.P.Q. 167 (C.C.P.A. 1974).

[22]. See, 1132 OG 33, Nov. 1991 and 1133 OG 21, Dec. 10, 1991.

[23]. Grose v. Plank, 15 U.S.P.Q.2d 1338 (Bd. Pat. App. & Int. 1990).

[24]. 11 App. D.C. 264, 1897 C.D. 724.

[25]. Benson v. Beman, 44 U.S.P.Q. 361 (C.C.P.A. 1940).

[26]. Travis v. Baker, 58 U.S.P.Q. 558 (C.C.P.A. 1943). A distinction may be drawn between the apparently incomplete conception discussed in the previous section and the "inoperative" conception, wherein all elements are apparently present, but not in an operative form.

[27]. 117 U.S.P.Q. 29 (C.C.P.A. 1958).

[28]. Cislak v. Wagner, 103 U.S.P.Q. 39 (C.C.P.A. 1954); Kilbey v. Thiele, 199 U.S.P.Q. 290 (Bd. Pat. Int. 1978).

[29]. Note, however, that there cannot be a reduction to practice until there has been a conception. That is, in those cases where an invention is practiced accidentally and without appreciation, the fact that the invention is used or produced constitutes neither conception nor reduction to practice. See Popeil Bros., Inc. v. Schick Electric, Inc., 176 U.S.P.Q. 101 (N.D. Ill. 1972).

[30]. Field v. Knowles, 86 U.S.P.Q. 373 (C.C.P.A. 1950).

[31]. Corona Cord Tire Co. v. Dovan Chemical Corp., 276 U.S. 358 (1928).

[32]. Birmingham v. Randall, 80 U.S.P.Q. 371 (C.C.P.A. 1948).

[33]. Blicke v. Treves, 112 U.S.P.Q. 472 (C.C.P.A. 1957).

[34]. Richardson v. Cook, 170 U.S.P.Q. 86 (C.C.P.A. 1971); Gellert v. Wanberg, 181 U.S.P.Q. 648 (C.C.P.A. 1974).

[35]. The later discussion on abandonment, suppression or concealment (Section III.G.) shows, however, that there may now be a "diligence" requirement in virtually all cases once an actual reduction to practice has been achieved. This is, however, different from the diligence toward actual reduction to practice discussed here.

[36]. 33 U.S.P.Q. 506, 508 (C.C.P.A. 1937).

[37]. 84 U.S.P.Q. 472 (C.C.P.A. 1950).

[38]. Smith v. Crivello, 215 U.S.P.Q. 446 (Bd. Pat. Int.).

[39]. Hull v. Davenport, supra; Morway v. Bondi, 97 U.S.P.Q. 318 (C.C.P.A. 1953); Fraze v. Siemonsen, 186 U.S.P.Q. 480 (Bd. Pat. Int. 1974).

[40]. Diamond v. Woodyard, 88 U.S.P.Q. 372 (C.C.P.A. 1951). The period for which one is chargeable with showing diligence is often referred to as the "critical period".

[41]. Ireland v. Smith, 37 U.S.P.Q. 807 (C.C.P.A. 1938); Farthing v. Boardman, 139 U.S.P.Q. 450 (Bd. Pat. Int. 1962).

[42]. Wells v. Fremont, 177 U.S.P.Q. 22 (Bd. Pat. Int. 1972).

[43]. 81 U.S.P.Q. 363 (C.C.P.A. 1949).

[44]. See also, Nashef v. Pollock, 4 U.S.P.Q.2d 1631 (Bd. Pat. App. & Int. 1987); Kwon v. Perkins, 6 U.S.P.Q.2d 1747 (Bd. Pat. App. & Int. 1988); Wiesner v. Weigert, 212 U.S.P.Q. 721 (C.C.P.A. 1981); Justus v. Brackmann, 195 U.S.P.Q. 327 (Bd. Pat. Int. 1976); Rebstock v. Flouret, 191 U.S.P.Q. 342 (Bd. Pat. Int. 1975); Hamlin v. Dunleavy, 221 U.S.P.Q. 1006, 1012 (Bd. Pat. Int. 1983).

[45]. Fleming v. Bosch, 181 U.S.P.Q. 761 (Bd. Pat. Int. 1973); Hunter v. Beissbarth, 230 U.S.P.Q. 365 (Bd. Pat. App. & Int. 1986).

[46]. D'Amico v. Koike, 146 U.S.P.Q. 132 (C.C.P.A. 1965); Bigham v. Godtfredsen, 222 U.S.P.Q. 632 (Bd. Pat. Int. 1984).

[47]. Anderson v. Scinta, 152 U.S.P.Q. 584 (C.C.P.A. 1967); Seeberger v. Dodge, 24 App. D.C. 176 (1905); Thompson v. Fawick, 17 U.S.P.Q. 283 (C.C.P.A. 1933).

[48]. Tucker v. Natta, 171 U.S.P.Q. 494 (Bd. Pat. Int. 1971); Kyrides v. Bruson, 41 U.S.P.Q. 107 (C.C.P.A. 1939). See also, Gaiser v. Linder, 117 U.S.P.Q. 209 (C.C.P.A. 1958); and Kliesrath v. Kesling, 69 U.S.P.Q. 377 (C.C.P.A. 1946).

[49]. Haskell v. Colebourne, 213 U.S.P.Q. 192 (C.C.P.A. 1982).

[50]. See 35 U.S.C. § 135(b).

[51]. See Bayles v. Elbe, 16 U.S.P.Q.2d 1389, 1392 (Bd. Pat. App. & Int. 1990).

[52]. See Micheletti v. Tapia, 196 U.S.P.Q. 858 (Bd. Pat. Int. 1976); Breuer v. DeMarinis, 194 U.S.P.Q. 308 (C.C.P.A. 1977).

[53]. Heymes v. Takaya, 6 U.S.P.Q.2d 1448 (Bd. Pat. App. & Int.), reconsideration denied, 6 U.S.P.Q.2d 2055 (Bd. Pat. App. & Int. 1988). See also, 37 C.F.R. § 1.601(f).

[54]. 194 U.S.P.Q. 513 (C.C.P.A. 1977).

[55]. The count and involved claim are not always identical. When they are not, it is the involved claim which must be supported, not the count. Squires v. Corbett, 194 U.S.P.Q. 513 (C.C.P.A. 1977).

[56]. "The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same..." 35 U.S.C. § 112. Fields v. Conover, 170 U.S.P.Q. 276 (C.C.P.A. 1971) (description requirement); Sze v. Bloch, 173 U.S.P.Q. 498 (C.C.P.A. 1972) (how-to-make requirement); and Kawai v. Metlesics, 178 U.S.P.Q. 158 (C.C.P.A. 1973) (how-to-use requirement). It is noted that in Magdo v. Peltzer, 212 U.S.P.Q. 838 (Bd. Pat. Int. 1981), the Board held the issue of best mode to be a "right to make" issue. See also Verbruggen v. Wells, 16 U.S.P.Q.2d 1314 (Fed. Cir. 1990, unpub.)

[57]. Johnson v. Riener, 133 U.S.P.Q. 545 (C.C.P.A. 1962); Jepson v. Coleman, 136 U.S.P.Q. 647 (C.C.P.A. 1963).

[58]. Bowditch v. Todd, 1902 C.D. 27, 98 O.G. 792 (Comm'r Pat. 1901); Field v. Knowles, 86 U.S.P.Q. 373 (C.C.P.A. 1950); Alpert v. Slatin, 134 U.S.P.Q. 296 (C.C.P.A. 1962). Note that the invention itself (in the sense of the subject matter recited in the count) is not usually alleged to be inoperable, since the moving party normally maintains that it does, in fact, work and that he, but not his opponent, teaches how to make it.

[59]. This is in addition to interferences involving plant and design patents, not discussed here.

[60]. In recent interferences the APJ's schedule has dispensed with the assignment of a period for discovery by motions under Rule 687(c) prior to the start of the junior party's testimony period because such motions are rarely brought.

[61]. For lawyers conversant with Federal Court practice the word "discovery" has a well established meaning and creates certain expectations which probably will not be fulfilled under the Patent Office Rules. It has been suggested in two Federal Court appellate decisions and one C.C.P.A. decision that Patent Office discovery is not, nor is it intended to be, as broad as discovery under the Federal Rules. Frilette v. Kimberlin, 184 U.S.P.Q. 266 (3rd Cir. 1974), cert. denied, 185 U.S.P.Q. 705 (U.S. 1975); Sheehan v. Doyle, 185 U.S.P.Q. 489 (1st Cir.), cert. denied, 187 U.S.P.Q. 480 (U.S. 1975); Cook v. Dann, 188 U.S.P.Q. 175 (C.C.P.A. 1975).

It has been stated by the Board that:

> Additional discovery is appropriate only in those instances where a party cannot prepare his own case because evidence regarding a question that is relevant or ancillary to priority is exclusively in the possession, custody or control of their opponent. Matthias v. Willcox, Int. 100,181 (Unpub. Paper 63, January 23, 1981).

To assist attorneys in following the development of the law under the rules, the Board maintains a file of unpublished discovery decisions (not necessarily complete or current) that are made available to the public.

62/. See, 37 C.F.R. § 1.688.

63/. See, Rules 671(e) and 672(b).

64/. 199 U.S.P.Q. 778, 782 n.7 (C.C.P.A. 1978); and Brecker v. Jennings, 204 U.S.P.Q. 668 (Bd. Pat. Int. 1978).

65/. See, Rule 673(b).

66/. See, Rule 673(g).

67/. See, Rule 673(a). (Under the old rules a composite list of witnesses and things is first served, together with a list of or copies of documents, by a date set in a notice sent to all parties by the interlocutory examiner. Then counsel notices depositions at a time and place which suits his convenience).

68/. See, Rule 632.

69/. See, Rule 690, M.P.E.P. § 2300, pgs. 2300-59 to 63 and 35 U.S.C. § 135(d).

70/. See, 49 Fed. Reg. 48449 (1984).

71/. See, 37 C.F.R. § 1.651(c).

72/. Issidorides v. Ley, 4 U.S.P.Q.2d 1861 (Comm'r Pat & T.M. 1987).

73/. Fed. R. Evid. 803(6) Records of regularly conducted activity

> A memorandum, report, record, or data compilation, in any form, of acts, events, conditions, opinions, diagnoses, made at or near the time by, or from information transmitted by, a person with knowledge, if kept in the course of a regularly conducted business activity, and if it was the regular

> practice of that business activity to make the memorandum, report, record or data compilation, all as shown by the testimony of the custodian or other qualified witness, unless the source of the information or the method or circumstances of preparation indicate lack of trustworthiness. The term "business" as used in this paragraph includes business, institution, association, profession, occupation, and calling of every kind, whether or not for profit.

74/. 134 U.S.P.Q. 296 (C.C.P.A. 1962).

75/. 179 U.S.P.Q. 100 (C.C.P.A. 1973).

76/. Preliminary to pursuing a statutory appeal under either 35 U.S.C. § 141 or § 146, the losing party may file a request for reconsideration with the Board within one month of the date of a final decision rendered pursuant to Rule 658(a) and (c). See Rule 658(b).

Filing a request for reconsideration does not prevent further review by appeal or civil action but it does affect the time within which such appeal must be taken. 37 C.F.R. § 1.304.

77/. 20 U.S.P.Q.2d 1291 (Fed. Cir. 1991).

78/. § 1.662: Request for entry of adverse judgment; reissue filed by patentee: (a) A party may, at any time during an interference, request and agree to entry of an adverse judgment. The filing by an applicant or patentee of a written disclaimer of the invention defined by a count, concession of priority or unpatentability of the subject matter of a count, abandonment of the invention defined by a count, or abandonment of the contest as to a count will be treated as a request for entry of an adverse judgment against the applicant or patentee as to all claims which correspond to the count. Abandonment of an application by an applicant, other than an applicant for reissue having a claim of the patent sought to be reissued involved in the interference, will be treated as a request for entry of an adverse judgment against the applicant as to all claims corresponding to all counts. Upon the filing by a party of a request for entry of an adverse judgment, the Board may enter judgment against the party; (b) If a patentee involved in an interference files an application for reissue during the interference and omits all claims of the patent corresponding to the counts of the interference for the purpose of avoiding the interference, judgment may be entered against the patentee. A patentee who files an application for reissue other than for the purpose of avoiding the interference shall timely file a preliminary motion under 1.633(h) or show good cause why the motion could not have been timely filed; (c) The filing of a statutory disclaimer under 35 U.S.C. § 253 by a patentee will delete any statutorily disclaimed claims from being involved in the

interference. A statutory disclaimer will not be treated as a request for entry of an adverse judgment against the patentee unless it results in the deletion of all patent claims corresponding to a count.

79/. See, Rule 662(a).

80/. See, Rule 662(a).

81/. See, Rule 662(b).

82/. 37 C.F.R. § 1.633(b).

83/. In fact, this is the classical result of winning a motion of no interference-in-fact. The claims which correspond to the count are patentably distinct and should issue to each party.

84/. 188 U.S.P.Q. 428 (C.C.P.A. 1976).

85/. The current PTO position is that once an interference is declared you cannot amend a claim and then move to have it designated as not corresponding to the count. While not stated in any published opinion, presumably this would run afoul of Rule 637(c)(2)(ii) - show the proposed claim defines the same patentable invention as the count; obviously the moving party's position is that the proposed (amended) claim does not define the same patentable invention as the count.

86/. In re Chase, 22 U.S.P.Q. 77 (C.C.P.A. 1934).

87/. Note that "pre-interference" estoppel" can also exist:

> Normally, when a claim is suggested to an applicant for purpose of interference and the applicant refuses to make it, such refusal constitutes a concession that the subject matter of the claim was the prior invention of another in this country, and thus is prior art against the applicant under 35 U.S.C. 102(g)/103. In re Ogiue, 186 U.S.P.Q. 227 (C.C.P.A. 1974). However, if the applicant's disclosure does not support the suggested claim, thee is no such disclaimer, and the suggested claim is not prior art.

Interferences - The Procedure

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September 30, 1994

I. Initiating the Interference:

Failure to Satisfy 37 CFR §1.608: the Ultimate Sanction. *Huston v. Ladner*, 973 F.2d 1564, 23 USPQ2d 1910 (Fed. Cir. 1992) *and Hahn v. Wong*, 892 F.2d 1028, 13 USPQ2d 1313 (Fed. Cir. 1989)

II. Presumptions, Burden of Proof and Other Slippery Fellows

A. Administrative Presumptions

Interlocutory Orders: Presumption an interlocutory order is correct. 37 CFR §1.655.

Extends to declaration of interference. Is presumption justified when examiner below was clearly unfamiliar with the interference rules?

B. Statutory Presumption of Patent Validity under 35 USC 282

Statutory presumption of validity unilaterally declared not to apply to interferences. *Lamont v. Berguer ; Okada v. Hitotsumachi*, 16 USPQ2d 1789 (Bd. Pat. App. & Intf. 1990); *Behr v. Talbott*, 27 USPQ2d 1401 (Bd. Pat. App. & Inter. 1992).

Price v. Symsek, 988 F.2d 1187, 26 USPQ2d 1031 (Fed. Cir.. 1993).

> "An interference involving an already issued patent embraces the societal interests derived from the statutory presumption that an issued patent is valid."

Contrast with Reissue and Reexamination procedures.

C. Burden of Proof

Removing Prior Practice Hangovers: *Kubota v. Shibuya*, 999 F.2d 517, 27 USPQ2d 1418 (Fed. Cir. 1993); *Behr v. Talbot*, 27 USPQ2d 1401 (Bd. Pat. App. & Intf. 1992) overruling *Alsenz v. Hargraves*, 13 USPQ2d 1371 (Bd. Pat. App. & Intf. 1989).

Uniform burden: Moving party bears the burden of establishing a *prima facie* case for requested relief. 37 CFR §1.633(a): a party filing a motion has the burden of proof to showing entitlement to the relief sought. 58 F.R. 49432.

37 CFR §1.655 places on the party attacking an interlocutory order the burden of showing error or an abuse of discretion. 37 CFR §1.655.

N.B. Not "manifest" error.

D. Standard of proof

"Clear and convincing evidence": *Price v. Symsek*, 988 F.2d 1187, 26 USPQ2d 1031 (Fed. Cir. 1993).

> That which produces in the mind of the trier of facts an abiding conviction that the truth of a factual contention is "highly probable". *Price v. Symsek, supra.*

"Preponderance of the evidence": *Behr v. Talbot*, 27 USPQ2d 1401 (Bd. Pat. App. & Intf. 1992).

> Unrebutted, reliable evidence - *Holmwood v. Sugavanam*, 948 F.2d 1236, 20 USPQ2d 1712 (Fed. Cir. 1991).

Equally persuasive but contradictory opinion evidence: burden of proof not met. *Staehelin v. Secher*, 24 USPQ2d 1513 (Bd. Pat. App. & Intf. 1992).

III. Proof of the Motion

References cited during prosecution: *Brown v. Bravet*, 25 USPQ2d 1147 (Bd. Pat. App. & Inter. 1992); *Cf.* 37 CFR §1.639 as to content of involved and benefit applications.

Factual basis for opinion of experts: *Staehelin v. Secher*, 24 USPQ2d 1513 (Bd. Pat. App. & Inter. 1992).

Hanagan guidelines for testimony, both factual and expert opinion: Now incorporated in 37 CFR §1.639.

Time factor: Unfair to require a party to fully marshall its evidence during the limited time allowed for filing an opposition. *Hyatt v. Boone*, 27 USPQ2d 1391 (Comr. Pat. & TM 1992).

Belated: Information not available: "sufficient cause" of 37 CFR §1.645(b) might be met. *General Instrument Corp. Inc. v. Scientific-Atlanta Inc.*, 995 F.2d 209, 27 USPQ2d 1145 (Fed. Cir. 1993). *Cf. Suh v. Hoefle*, 23 USPQ2d 1321 (Bd. Pat. App. & Intf. 1991): preliminary motion "... not based *entirely* on testimony ..." (it also relied on prior art, interference estoppel, and public disclosure).

IV. Use and Abuse of Discretion

A. The Uncertainty Principle

Order in which preliminary motions are decided:

Unpatentability *vs.* Same Patentable Invention.

Granting motion to designate claims as corresponding to the count, followed by the granting motion for judgment error since motion for judgment directed to claims *then-corresponding* to the count. *Wm. T. Burnett & Co. Inc. v. Cumulus Fibres Inc.*, 825 F.Supp 734, 27 USPQ2d 1953 (DC WNC 1993), *rev'g sub nom. Brooks v. Street*, 16 USPQ2d 1374 (Bd. Pat. App. & Intf. 1990).

Granting motion to undesignate rendering motion for judgment moot. Does this promote goals of the interference rules?

B. CPR Motions with Issued Patents

Scope of the count as broad as patentee's broadest claim *vs.* Claims not corresponding to count.

C. Sanctions

Avoiding the jurisdiction of the Administrative Patent Judge.

Criteria of abuse of discretion: *Gerritsen v. Shirai*, 979 F.2d 1524, 24 USPQ2d 1912 (Fed. Cir. 1992):

(1) Clearly unreasonable, arbitrary, or fanciful;

(2) Based on an erroneous conclusion of law;

(3) Rests on a clearly erroneous finding of fact;

(4) Follows from a record that contains no evidence on which the decision could rationally be based.

V. Scope of Estoppel

A. Basic Standard

In re Deckler, 977 F.2d 1449, 24 USPQ2d 1448 (Fed. Cir.. 1992) endorsing the interference estoppel rationale of *Ex parte Tytgat*, 225 USPQ 907 (Bd. App. 1985).

B. Fuzzy Edges

"Claims which do not correspond exactly but correspond substantially": *In re Van Geuns*, 946 F.2d 845, 20 USPQ2d 1291 (Fed. Cir.. 1991).

No Motion: Estoppel should not be based on conjectural or hypothetical premises. *Ex parte Rohrer*, 20 USPQ2d 1460 (Bd. Pat. App. & Intf. 1991).

Motion Made but Unsuccessful: Attempt to add subject matter to an interference sufficient to preserve the issue for a subsequent proceeding. *Stoudt v. Gugenheim*, 651 F.2d 760, 210 USPQ 359 (CCPA 1981); *Baxter International Inc. v. Cobe Laboratories Inc.*, ____ F.Supp ____ , 25 USPQ2d 2034 (DC NIll. 1992).

VI. Benefit of Prior applications Under 35 USC 119 and 120:

Species of the count sufficient: *Suh v. Hoefle*, 23 USPQ2d 1321 (Bd. Pat. App. & Intf. 1991); *Staehelin et al. v. Secher et al.*, 24 USPQ2d 1513 (Bd. Pat. App. & Intf. 1992).

Full scope in parent case of claims asserted (corresponding to count): *In re Scheiber* 587 F.2d 59, 199 USPQ 782 (CCPA 1978) and *In re Gosteli et al.*, 872 F.2d 1008, 10 USPQ2d 1614 (Fed. Cir. 1989).

THE ANATOMY OF A TYPICAL INTERFERENCE AS GLEANED FROM ITS FILE HISTORY

Watson T. Scott

THE ANATOMY OF A TYPICAL INTERFERENCE AS GLEANED FROM ITS FILE HISTORY
Outline

I. Introduction

II. Pre-Interference Intelligence

A. Issued U.S. Patent File Wrappers

1. Rule 131 Affidavits or Declarations
2. Estoppel Considerations (Rule 658(c))
3. Prior abandoned applications
   - i. Continuations
   - ii. Divisions
   - iii. Re-examination
   - iv. Restriction requirements
   - v. Reference to related non-benefit applications
   - vi. Declaration/Power of Attorney

B. Published Foreign Counterparts

C. Avoidance of Interference proceedings

D. Provoking the Interference

II. Inter-Parte Proceedings

A. Access to Opponents Application File History

1. Obtaining the file history

2. Obtaining related application file histories

3. Obtaining the Interference-Initial Memorandum (Form PTO-850)

B. Analysis of the Application File History

1. Relation to prior applications-consideration of added matter

2. Relevant fields of search

3. Completeness of the file-papers improperly removed

4. Examiner's analysis of invention-Official Actions

5. Applicant's response and potential estoppel

6. Impact of Affidavit/Declaration Evidence

i. Rule 131

ii. Rule 132

7. Terminal Disclaimers

III. Interference File History

A. Access to Public

B. Declaration of Interference

C. Interference-Initial Memorandum (Form PTO-850)

D. Motions

E. APJ Decisions

F. Record

G. Judgment

H. Settlement Agreements

OVERHEADS

1001540

SERIAL NUMBER	PATENT DATE	PATENT NUMBER
07/000,201	JAN 31 1989	4801540

SERIAL NUMBER	FILING DATE	CLASS	SUBCLASS	GROUP ART UNIT	EXAMINER
07/000,201	01/02/87	435	1	134	

WILLIAM J. HIATT, DAVIS, CA; RAYMOND F. SHEEHY, DAVIS, CA; CHRISTINE K. SHEWMAKER, DAVIS, CA; JEAN C. KRIDL, DAVIS, CA; VIC KNAUF, DAVIS, CA.

CONTINUING DATA********
VERIFIED
DTF

THIS APPLN IS A CIP OF 06/920,574 10/17/86
WHICH IS A CIP OF 06/845,676 03/28/86

FOREIGN/PCT APPLICATIONS********
VERIFIED
none DTF

FOREIGN FILING LICENSE GRANTED 04/21/87

***** SMALL ENTITY *****

Foreign priority claimed / 35 USC 119 conditions met / Verified and Acknowledged	Examiner's Initials	AS FILED	STATE OR COUNTRY	SHEETS DRWGS.	TOTAL CLAIMS	INDEP. CLAIMS	FILING FEE RECEIVED	ATTORNEY'S DOCKET NO.
☐ yes ☒ no / ☑ yes ☐ no /	DTF	→	CA	1	15	4	$ 429.00	23047/CGNE21

LEYDIG, VOIT & MAYER
350 CAMBRIDGE AVENUE, SUITE 200
PALO ALTO, CA 94306

PG GENE AND ITS USE IN PLANTS

U.S. DEPT. of COMM.-Pat. & TM Office — PTO-436L (rev. 10-78)

TS OF APPLICATION
D SEPARATELY

NOTICE OF ALLOWANCE MAILED	PREPARED FOR ISSUE	CLAIMS ALLOWED
7.19.88	David T. Fox / Docket Clerk	Total Claims: 14 / Print Claim: 1
ISSUE FEE: Amt. Due: 880.00 / Date Paid: 9-14-88	CHARLES F. WARREN SUPERVISORY PATENT EXAMINER GROUP ART UNIT 134 / Primary Examiner	DRAWING: Sheets Drwg. 1 / Figs. Drwg. 1 / Print Fig. 1
ISSUE CLASSIFICATION		ISSUE

SEARCHED

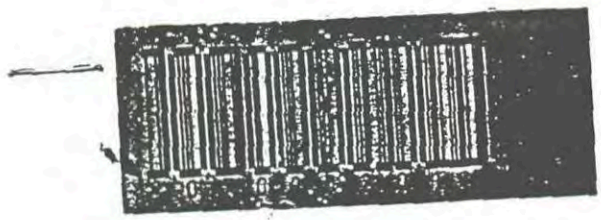
Class	Sub.	Date	Exmr.
435	172.3	8/13/87	DTF
	240	↓	↓
	317		
536	27		
	update	4/6/88	DTF
435	240.4	↓	↓
	320		
	68		
	update	7/11/88	DTF

INTERFERENCE SEARCHED

Class	Sub.	Date	Exmr.
435	68	7/12/88	DTF
	172.3	↓	↓
	240		
536	27		

SEARCH NOTES

	Date	Exmr.
Computer search	5/87	DTF
CAS	8/87	DTF
Biosis	↓	↓
see parents		
S.N. 845,676		
S.N. 920,574		



APPROVED FOR LICENSE ☑

INITIALS JAN 1 0 1989

RECEIVED

MAY 20 1987

GROUP 120

CONTENTS

Entered or Counted		Received or Mailed
	1. Application ____ papers.	FEB 23 1987
	2. Ltr Re Signature	3-18-87
	3. declaration, engstrom	3-18-87
	4. small entity	Mar. 16 1987
	5. Amdt A	9/14/87 8/14
	6. Rej (3)	Jan 4, 1988
	7. Ext of time 1 mo	Jan 4, 1988
	8. Amdt B	4-29-1988 4/11
	9. Final Rej 3 month	July 5, 1988
	10. Amdt C 1.116 w/attach 1620 drawing	July 11, 1988
	11. Telephonic Interview	July 1988 7/18
	12. Examiner's Amdt D	9-13-88
	13. Formal Drawings Rec'd	Sept. 14, 1988
	14. Amdt E R-312	Sept 14, 1988
	15. Withdrawal Small Entity	Oct 28, 1988
	16. Ltr.	
	17.	
	18.	
	19.	
	20.	
	21.	
	22.	
	23.	
	24.	
	25.	

FOR UTILITY/DESIGN
CIP/PCT NATIONAL/PLANT
ORIGINAL/SUBSTITUTE/SUPPLEMENTAL
DECLARATIONS

RULE 63 (37 C.F.R. 1.63)
DECLARATION AND POWER OF ATTORNEY
FOR PATENT APPLICATION
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

As a below named inventor, I hereby declare that my residence, post office address and citizenship are as stated below next to my name, and I believe I am the original, first and sole inventor (if only one name is listed below) or an original, first and joint inventor (if plural names are listed below) of the subject matter which is claimed and for which a patent is sought on the INVENTION ENTITLED _____

_____

the specification of which (CHECK applicable BOX(ES))

-> ☐ is attached hereto.

X -> ☐ was filed on _____ as U.S. Application No. 0__/_____

BOX(ES) -> ☐ was filed as PCT International Application No. PCT/_____/_____on_____

-> -> and (if applicable to U.S. or PCT application) was amended on _____

I hereby state that I have reviewed and understand the contents of the above identified specification, including the claims, as amended by any amendment referred to above. I acknowledge the duty to disclose all information known to me to be material to patentability as defined in 37 C.F.R. 1.56. I hereby claim foreign priority benefits under 35 U.S.C. 119/365 of any foreign application(s) for patent or inventor's certificate listed below and have also identified below any foreign application for patent or inventor's certificate filed by me or my assignee disclosing the subject matter claimed in this application and having a filing date (1) before that of the application on which priority is claimed, or (2) if no priority claimed, before the filing date of this application:

PRIOR FOREIGN APPLICATION(S) Number	Country	Day/MONTH/Year Filed	Date first Laid-open or Published	Date Patented or Granted	Priority Claimed Yes	No

I hereby claim the benefit under 35 U.S.C. 120/365 of all United States applications listed below and PCT international applications listed above or below and, if this is a continuation-in-part (CIP) application, insofar as the subject matter disclosed and claimed in this application is in addition to that disclosed in such prior applications, I acknowledge the duty to disclose all information known to me to be material to patentability as defined in 37 C.F.R. 1.56 which became available between the filing date of each such prior application and the national or PCT international filing date of this application:

PRIOR U.S. OR PCT APPLICATION(S) Application No. (series code/serial no.)	Day/MONTH/Year Filed	Status pending, abandoned, patented

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

And I hereby appoint C
(to whom all communications are to be directed), and the below-named persons (of the same address) individually and collectively my attorneys to prosecute this application and to transact all business in the Patent and Trademark Office connected therewith and with the resulting patent, and I hereby authorize them to act and rely on instructions from and communicate directly with the person/assignee/attorney/firm/ organization who/which first sends/sent this case to them and by whom/which I hereby declare that I have consented after full disclosure to be represented unless/until I instruct in writing to the contrary.

1. INVENTOR'S SIGNATURE:_____ Date_____
Inventor's Name (typed)_____
First Middle Initial Family Name Country of Citizenship
Residence (City)_____ (State/Foreign Country)_____
Post Office Address (Include Zip Code)_____

2. INVENTOR'S SIGNATURE:_____ Date_____
Inventor's Name (typed)_____
First Middle Initial Family Name Country of Citizenship
Residence (City)_____ (State/Foreign Country)_____
Post Office Address (Include Zip Code)_____

3. INVENTOR'S SIGNATURE:_____ Date_____
Inventor's Name (typed)_____
First Middle Initial Family Name Country of Citizenship
Residence (City)_____ (State/Foreign Country)_____
Post Office Address (Include Zip Code)_____

(FOR ADDITIONAL INVENTORS, check box ☐ and attach sheet for same information for each re signature, name, date, citizenship, residence and address.)

This application has been filed with informal drawings which are acceptable for examination purposes only. Formal drawings will be required when the application is allowed.

Claims 1-15 are provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1, 9, 13, 21, 23 and 26 of copending application serial no. [redacted]. Although the conflicting claims are not identical, they are not patentably distinct from each other because both sets of claims are directed to enogenous gene regulation using antisene RNA.

This is a provisional obviousness-type double patenting rejection because the conflicting claims have not in fact been patented.

Claims 1-15 are provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 5, 14, 15, 24, 29, 32 and 33 are of copending application serial no. [redacted]. Although the conflicting claims are not identical, they are not patentably distinct from each other because both sets of claims are directed to endogenous [redacted] regulation using antisene RNA.

This is a provisional obviousness-type double patenting rejection because the conflicting claims have not in fact been patented.

The obviousness-type double patenting rejection is a judicially established doctrine based upon public policy and is primarily intended to prevent prolongation of the patent term by prohibiting claims in a second patent not patentably distinct from claims in a first patent. In

Form PTO-850

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

INTERFERENCE—INITIAL MEMORANDUM

EXAMINERS INSTRUCTIONS— This form need not be typewritten. Complete the items below and forward to the Group Clerk with all files including those benefit of which has been accorded. The parties need not be listed in any specific order. Use a separate form for each count.
(See MPEP 2309.02)

BOARD OF PATENT APPEALS AND INTERFERENCES: An interference is found to exist between the following cases:

This is count 1 of 1 count(s)

1. NAME	SERIAL NO.	FILING DATE	PATENT NO., IF ANY
Smith et al.	06/123,456	5-22-82	4,567,890

The claims of this party which correspond to this count are:	The claims of this party which do not correspond to this count are:
(1) 2, 3, 4, 9/1	5-8, 9/2

*Accorded benefit of:

COUNTRY	SERIAL NO.	FILING DATE	PATENT NO., IF ANY

2. NAME	SERIAL NO.	FILING DATE	PATENT NO., IF ANY
Jones	06/345,678	12-1-82	

The claims of this party which correspond to this count are:	The claims of this party which do not correspond to this count are:
11, 12 (allowable)	3-6 (not allowable) 7-10 (allowable)

*Accorded benefit of:

COUNTRY	SERIAL NO.	FILING DATE	PATENT NO., IF ANY
U.S.	05/987,654	8-8-78	4,456,789
U.S.	06/012,345	11-11-81	

3. NAME	SERIAL NO.	FILING DATE	PATENT NO., IF ANY
Watanabe et al.	06/456,789	5-10-83	

The claims of this party which correspond to this count are:	The claims of this party which do not correspond to this count are:
1, 2 (not allowable) 3-5 (allowable)	6 (allowable)

*Accorded benefit of:

COUNTRY	SERIAL NO.	FILING DATE	PATENT NO., IF ANY
Japan	57-12345	5-10-82	

If a claim of any party is exactly the same as this count, it should be circled above. If not, type the count in this space (attach additional sheet if necessary):

*The serial number and filing date of each application the benefit of which is intended to be accorded must be listed. It is not sufficient to merely list the earliest application necessary for continuity.

DATE	PRIMARY EXAMINER	TELEPHONE NO.	ART UNIT
2-11-85	Mary Johnson	557-1000	101

NOTE:	GROUP DIRECTOR SIGNATURE (if required)
Forward all files including those benefit of which is being accorded.	

§1.658 FINAL DECISION.

(c) A judgment in an interference settles all issues which (1) were raised and decided in the interference, (2) could have been properly raised and decided in the interference by a motion under § 1.633(a) through (d) and (f) through (j) or § 1.634 and (3) could have been properly raised and decided in an additional interference with a motion under § 1.633(e). A losing party who could have properly moved, but failed to move, under §§ 1.633 or 1.634, shall be estopped to take ex parte or inter partes action in the Patent and Trademark Office after the interference which is inconsistent with that party's failure to properly move, except that a losing party shall not be estopped with respect to any claims which correspond, or properly could have corresponded, to a count as to which that party was awarded a favorable judgment.

Paper No. 39

All communications respecting this case should identify it by number and names of parties.

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

Address: BOX INTERFERENCE
Commissioner of Patents and Trademarks
Washington, D.C. 20231

MAILED

MAY 09 1989

BOARD OF PATENT APPEALS
& INTERFERENCES

Patentee: Lin
Serial No.: 675,298
Filed: November 30, 1984
For: DNA SEQUENCES ENCODING ERYTHROPOIETIN

Accorded Benefit of:
US SN 561,024, filed 12/13/83;
US SN 582,185, filed 02/21/84;
US SN 655,841, filed 09/28/84

Patent No.: 4,703,008,
issued October 27, 1987

The case referred to above has been forwarded to the Board of Patent Appeals and Interferences because it is adjudged to interfere with other cases hereafter specified. Attention is directed to the fact that this interference is declared pursuant to 37 CFR 1.601 et seq., effective February 11, 1985 (49 F.R. 48416, 1050 O.G. 385). The interference is designated as No. 102,096.

By direction of the Commissioner of Patents and Trademarks and as required by 35 USC 135(c), notice is hereby given the parties of the requirement of the law for filing in the Patent and Trademark Office a copy of any agreement "in connection with or in contemplation of the termination of the interference."

The cases involved in this interference are:

Junior Party

Applicants: Edward Fritsch, Rodney M. Hewick and Kenneth Jacob-

Addresses: 115 North Brand Road
Concord, Massachusetts 01742;
16 Woodcliffe Road
Lexington, Massachusetts 02173;
151 Beaumont Avenue
Newton, Massachusetts 02160

Serial No.: 693,258, filed January 22, 1985

For: PRODUCTION OF HUMAN ERYTHROPOIETIN

Assignee: Genetics Institute, Inc., Boston, Massachusetts, a corporation of Delaware

Accorded Benefit of: U.S. SN 688,622 filed January 3, 1985

Attorney of Record: Bruce M. Eisen, David L. Berstein and Ellen J. Kapinos

Associate Attorney: Eugene Moroz and William S. Feiler and George A. Skoler

Address: Ellen J. Kapinos, Esq.
Genetics Institute, Inc.
87 Cambridge Park Drive
Cambridge, Massachusetts 02140-2387

Senior Party

Patentee: Fu-Kuen Lin

Address: 438 Thunderhead Street
Thousand Oaks, California 91360

Serial No.: 675,298, filed November 30, 1984, Patent No. 4,703,008, issued October 27, 1987

For: DNA SEQUENCES ENCODING ERYTHROPOIETIN

Assignee: Amgen, Inc, Thousand Oaks, California, a corporation of Delaware

Attorney of Record: William E. Dominick, Albert W. Bicknell, William A. Marshall, Jerome B. Klose, Basil P. Mann, Alvin D. Shulman, Donald J. Brott, Owen J. Murray, Allen H. Gerstein, Nate F. Scarpelli, Edward M. O'Toole, Michael F. Borun, Carl E. Moore, Jr.

Associate Attorney: None

Accorded benefit of: US SN 561,024, filed Dec. 13, 1983;
US SN 582,185, filed Feb. 21, 1984;
US SN 655,841, filed Sep. 28, 1984

Address: Merriam, Marshall and Bicknell
Two First National Plaza, Suite 2100

Count 1

A purified and isolated DNA sequence consisting essentially of a DNA sequence encoding human erythropoietin.

The claims of the parties which correspond to this count are:

Fritsch et al: Claims 1-8, 10, 13, 14, 16, 19, 22, 25, 26, 46, 48, 50, 52, 57, 58, 60, 62, 68-70, 74

Lin: Claims 1, 2, 4-8, 11-29 and 31

Marc L. Caroff
Examiner-in-Chief
(703) 557-4009

MLC/mjg

No. 102096
Vol. I
pps. 1– 46

Caroff
EXAMINER IN CHIEF

TINBOX

(17)
B-102097

INTERFERENCE

Fritsch et al SN 693258

v

Lin PN 4,703,008

Production Of Human
Erythropoietin

Group 185

#71 KURT E. KICHTER
(212) 758-4800

Patentee #7
PAUL N. KORULIS
(202) 861-3500

~~PATENT~~ **102096**

09 MAY 1989 **DECLARATION, MOTIONS DUE**

09 MAY. 1989 – PS & MOS DUE 09 AUG 1989

May 22,89 – Power to Inspect & make copy – Lin

May 25,89 – Designation of Lead Atty. – Fritsch et al

May 23,1989 Identification of Lead atty. – Lin

June 5,89 – Notice (R. 660(b)) – (PENDING LITIGATION) (C of M 6-1-89) – Fritsch et al

May 23,89 – Power of Attorney – Lin

July 12,89 – Power to inspect + Make Copies Fritsch et al

Jul. 31,89 – mo. for ext. of time – Fritsch et al

Jul. 31,89 – oppos. to mo. for ext. of time – Lin

Aug 2,89 – Memorandum Opinion + Order

Aug 7,89 – Extension denied Fritsch –

Aug 4,89 – Order correcting opinion –

July 26,89 Joint Appendix – Fritsch et al

July 27,89 Motion (Corrected) to file JA late for extension Fritsch et al

Aug 9,89 – Preliminary motion & (P.S.) A filing pursuant to 37 CFR §1.618(a) and (b) – Fritsch et al

Aug 9,89 – Notice of Lodging of filing preliminary statement – Lin

Aug 14,89 – Communication re BINDING OF PREL. MOTIONS – Fritsch et al

Aug 9,89 Transmittal letter re AMENDMENT OF FRAP. (copy of 84-89) – Fritsch et al

Aug 9,89 – Transmittal letter re preliminary motion – Fritsch et al

Aug 9,89 – Transmittal letter re (brief case) – Fritsch et al

Aug 14,89 – Preliminary mo of Party Fritsch et al re to exhibits C-Q

Aug 14,89 Preliminary mo of Party Fritsch et al re to (COPY OF #22)

Aug 14,89 Preliminary mo of party Fritsch et al vol I – Fritsch et al

Aug 14,89 Preliminary mo of party Fritsch et al vol II – Fritsch et al

Aug. 29,89 – Oppositions to Prelim. Motion w/exhibits (attach) Lin TINBOX

Sept 7,89 – Submission of original declaration – Lin

Sept 14,89 – Transmittal ltr. (Copy of 9-8-89) – Fritsch et al

Sept 14,89 – Reply to oppos. to the preliminary mo. – Fritsch et al

Dec. 20,89 – Submission of District Ct. Order/Memo. Opin. (w/attach) – [illegible]

INTERFERENCES WITH FOREIGN PARTIES IMPORTATION OF FOREIGN INVENTIONS INTO THE UNITED STATES

KARL F. JORDA
DAVID RINES PROFESSOR OF INTELLECTUAL PROPERTYLAW
FRANKLIN PIERCE LAW CENTER

I. INTRODUCTION

There is a paucity of case law and literature discussion on the topic of importation or introduction of foreign inventions into the U.S. and, judging from the little literature and case law that exist, it is quite apparent that the law and practice in this area is rather unsettled and misunderstood.

However, this subject is a very practical and important one and presents interesting implications not only in interference practice but also in patent prosecution (Rule 131 practice) and in validity studies where foreign inventions are involved.

There has been tremendous growth in our "global village" of multi-national and international businesses. Foreign companies have subsidiaries in the U.S. and U.S. companies have subsidiaries abroad. R&D is being carried out off-shore, technical information is being communicated across borders, foreign technology is being acquired, research and license agreements are being concluded and business people and inventors are traveling back and forth. In short, exportation or importation of R&D data and inventions is taking place on a vast scale.

And not surprisingly, a high percentage of the applications pending in our PTO come from abroad and of course a high percentage (close to 50%) of the issued patents is of foreign origin. Importation opportunities or problems may arise with respect to these applications and patents.

In many of the interferences involving applications of Swiss origin with which the author had personal experience, importation was relied on. Where this was done, reference was made to reports and samples having been sent over, Swiss inventors having visited or U.S. residents having come back from trips with knowledge and embodiments of inventions made in Switzerland. In fact, Swiss, German and other European chemical companies and their U.S. subsidiaries established a practice of wholesale importation of foreign inventions by consciously and deliberately "importing" foreign R&D documentation and samples of compounds, prior to or in addition to filing foreign priority applications.

Reference to importation of foreign inventions into the U.S. is a reference to situations where knowledge of an invention made abroad is sent or brought here by foreigners and divulged to somebody in this country or is communicated to a U.S. citizen abroad who then brings it with him to the U.S. This is tantamount to conception in this country on the day it is read and understood here by someone or brought in by someone capable of understanding it. Furthermore, this refers

to situations where also the physical object or embodiment of such an invention is sent here or brought here and is in somebody's possession here who fully understands its nature, its production and its use which is, in the author's view, tantamount to reduction to practice in this country.

II. SECTION 104

Why importation? Why are we concerned with importation in the first place? Very simply because of the existence of Section 104 of Title 35 of the U.S. Code. This Section which is entitled "Invention made abroad", stipulates that

> "In proceedings in the Patent and Trademark Office and in the courts, an applicant for a patent, or a patentee, may not establish a date of invention by reference to knowledge or use thereof, or other activity with respect thereto, in a foreign country, except as provided in sections 119 and 365 of this title. Where an invention was made by a person, civil or military, while domiciled in the United States and serving in a foreign country in connection with operations by or on behalf of the United States, he shall be entitled to the same rights of priority with respect to such invention as if the same had been made in the United States."

As can be seen from the above rendition, two exceptions are made in Section 104. One is that provided for in Sections 119 and 365 (right of priority) and the other covers persons domiciled in the U.S. but serving in a foreign country in connection with operations by or on behalf of the U.S. In a sense, as will be seen shortly, importation is sort of a third exception.

Incidentally, Section 104 has been criticized and decried abroad as particularly and manifestly unfair and discriminatory against foreign inventors — and in fact as the most flagrant of the features which give U.S. inventors an unfair advantage over foreign inventors.

However, as was pointed out in the very first importation case, *Thomas v. Reese,* 1880 C.D. 12, as well as in a more recent decision, *Monaco v. Hoffman*, 127 USPQ 516 (D.C.D.C. 1960), *aff'd* 130 USPQ 97 (C.A.D.C., 1961), Section 104 does not distinguish between citizens of the U.S. and foreign countries but between inventions made in the U.S. and other countries. U.S. citizens residing abroad are also subject to Section 104 and foreigners living in this country are

not. According to the *Thomas* case the "law is absolutely impartial as between foreign and domestic applicants". In the *Monaco* case Montecatini launched a frontal attack on Section 104. Having lost the priority contest in the Patent Office because the junior party was able to establish reduction to practice in the U.S. prior to their Italian filing date, they filed a Section 146 action and took a great deal of testimony in Italy proving still earlier reduction to practice there. However, Judge Holtzoff ruled against Montecatini while sympathizing with them. He admitted that

> "the present rule originated in the days when the only means of travel between continents was by sailing ships, and the sole means of communication was by slow mail. Conceivably, under those conditions an invention made abroad might have never become known in the U.S. Today with modern means of travel and communication, information may be transmitted from Europe to the U.S. as rapidly as from the eastern seaboard to Honolulu and Alaska." (*Id.* at 522)

He continued that it could be argued that with the "great increase in the volume of travel between countries, as well as the constant utilization of new means of communication", the reason for the rule no longer exists and the Presidential Commission on the Patent System came to the same conclusion in the mid 1960's. And in fact it was left out of the early patent revision bills in the late 1960's but subsequently put back in under (protectionist) pressure from industry. (*See* 115 Cong. Rec. 8954 — August 1, 1969 — Remarks of Senator McClellan.)

III. IMPORTATION IN GENERAL

Be that as it may, there are ways and means of neutralizing Section 104 in a perfectly legitimate manner, namely, by introduction of foreign inventions. In a manner of speaking, as already indicated earlier, this is another exception to Section 104. The best known exception and the one expressly covered in Section 104, is of course, reliance on a foreign Convention application under Sections 119 and 305. Under these Sections a foreign applicant, however, can go back only up to one year. Thus, reliance on Sections 119 and 365 is in a sense a limited tool. With importation one can go further back in time much like a domestic inventor can.

There are a number of situations and circumstances where importation is indeed advisable and can be of concrete value. These are as follows:

1) When there is delay in filing a foreign priority application. Foreigners, as a general rule, need to race to the Patent Office more than U.S. inventors, but on the other hand tend to be conservative and deliberate and often work out an invention to perfection before filing. This appears necessary in the chemical area, for instance, because coverage can often be obtained only for that which was actually reduced to practice; it also appears necessary due to the absence in foreign patent systems of the practice of filing continuation-in-part applications. Sometimes, a good deal of testing has to be undertaken first or testing has to be carried out in certain geographical areas or under special conditions, all of which may occasion delays.
2) When the priority application is abandoned and refiled and a new priority year is started. This practice is fairly widespread abroad and is even followed in this country. Here there is obvious delay and, by the same token, obvious need for importation.
3) When a U.S. application is not filed under the Convention but a non-Convention application is filed later on.
4) When Convention filing is missed which happened, for example, in the case of *Schmierer v. Newton*, 158 USPQ 203 (CCPA, 1968). There the application was delayed in customs and was filed a few days too late. Incidentally, in this case the foreign applicant tried to argue — to no avail — that Section 104 did not apply because the application was executed before a U.S. consul in Paris. (Query: How about execution in a U.S. embassy which enjoys extraterritoriality?)
5) When the required certified foreign priority application is not timely filed in the PTO because there are undue delays in obtaining it from a foreign Patent Office.
6) When the foreign application has generally insufficient disclosure, e.g. of utility, or does not contain sufficient support for the subject matter of the count and its benefit cannot be obtained.

All of these delays and problems can arise and have arisen. Under such circumstances, it is advantageous to fall back on importation if there was any.

But even if it is possible to rely on a foreign priority date, and the priority application is good, it can still be helpful or essential to resort to earlier importation on top of it. As between two foreign applicants, the one with the later priority date will not get far in an interference unless he or she can allege earlier importation in his or her Preliminary Statement. The same is true in an interference between foreign and domestic applicants, where the foreign applicant's priority date is still not early enough to enable him or her to prevail over the domestic party. A number of cases where these situations are graphically illustrated are discussed below.

It is, of course, rather clear, in spite of contrary argument often made by opponents, that one can depend at the same time on the foreign priority application and on acts of importation. There is no need to make an election between one or the other. *Wilson et al. v. Sherts et al.*, 28 USPQ 379 (CCPA, 1936); *Lassman v. Brossi et al.*, 159 USPQ 182 (Bd. Pat. Intf., 1967).

Unfortunately, from a legal point of view, while such importation is taking place so frequently, it is often done unwittingly. This can have ironic consequences: there is importation as a substantive matter but not provable as an adjective matter. In other words, there is importation *de facto* but not *de jure*. Research reports and technical disclosures, models and samples or what-have-you come in from foreign subsidiaries, foreign parent companies, foreign research partners, foreign licensors or foreign inventors and there are communications and visits back and forth. However, unless adequate procedures are established, much like in the area of notebook keeping to document domestic inventions, it is unlikely that importation can be proven as a legal or procedural matter.

In this context it is most interesting to note that foreign inventors can by virtue of acts of importation turn situations in which they would inexorably lose into situations where they can easily win, e.g. where a U.S. applicant conceived before, but reduced to practice after, a foreign applicant's priority filing but where the foreign applicant sent an invention disclosure or a conception letter to the U.S. before the U.S. applicant's conception date. (Stiefel, "Winning An Interference For A Foreign Inventor," 60 JPOS 558 (1978)) *See Chan v. Kunz*, *infra*, for a clearcut illustration of such a result.

The Rules of Practice in Patent Cases, 37 C.F.R. § 1.624 entitled "Preliminary Statement; Invention Made Abroad", expressly and officially sanction preliminary statements alleging importation of foreign inventions as regards both conception and actual reduction to practice. They thereby also sanction at least implicitly Rule 131 Affidavits. And the Manual of Patent Examining Procedures allows as how "*Brewer* (sic) *v. DeMarinis* ...illustrates a case where an actual reduction to practice abroad was introduced into the United States." (Section 2324, p.2300-31)

IV. IMPORTATION OF DESCRIPTIONS OF FOREIGN INVENTIONS

If it has always been the law that foreign activities cannot be relied on, it seems that it has also been the law that importation can be depended on. The first case to come down, in 1880, was *Thomas v. Reese*, *supra*, in which the Commissioner of Patents, in commenting on the position of a foreign inventor,

stated:

> "...If, having conceived it and reduced it to practice abroad, he communicates it to an agent in a foreign country and sends his agent to the United States to obtain letters patent or to introduce it to public use, he may, in an interference, fix the date of his invention on the day of his agent's arrival in the United States..."

In *Gueniffett v. Wictorsohn*, 1907 C.D. 379, *aff'd* 1908 C.C. 367, Gueniffet had reduced the invention, a machine for making mouthpieces for cigarettes, to practice in France, and the evidence indicated that one Jaros had been shown the machine, in operation, in France and its mechanism fully explained to him. He then came to New York bringing with him a number of cigarettes made with the machine. However, he did not disclose the invention to anyone in this country until after Wictorsohn's filing date. The Commissioner held that mere knowledge by Jaros, uncommunicated to anyone in this country, was insufficient.

Winter v. Latour, 1910 C.D. 408, involved an interference proceeding between two foreign inventors, one German and one French. The German inventor claimed a conception date of 1902 and a reduction to practice in Berlin in December 1902. He filed his German patent application on January 14, 1903, at a time when Germany had not yet adopted the international convention on patents. The German inventor disclosed his invention to an employee of the General Electric Company in Berlin in January 1903, and this employee sent a description of the invention to a member of the General Electric staff in New York, where the description was read and understood on January 24, 1903. The German inventor applied for his U.S. patent on March 7, 1903.

The French inventor filed his French patent application on January 21, 1903, at a time when France had already adhered to the international convention on patents. The French inventor also transmitted a description of his invention to the General Electric offices in New York, and this description was read and understood by a member of the General Electric staff on February 5, 1903. The French inventor instructed General Electric to file a U.S. patent application, and such application was filed on January 19, 1904, within the one year priority period provided by the convention and the U.S. patent laws.

The court agreed that the German inventor was properly awarded January 24, 1903, the date on which the description of his invention was read and understood in New York, as his invention date in the U.S. However, the court held that the French inventor was entitled to his priority date of January 21, 1903, under the terms of the convention.

The court did not question the finding of the Patent Office that both the German and the French inventors were entitled to claim as their invention dates in the U.S. the respective dates on which the description of their inventions was read and understood by a member of the General Electric staff. It does not appear that either inventor ever came to the U.S.

DeKando v. Armstrong, 1911 C.D. 413 (Appeals D.C. 1911), involved a situation where an invention was conceived in Hungary in 1904. It related to railroad cars and was installed in Italian trains the same year. An American engineer saw the invention in operation and obtained a full description of it and returned to the U.S. where he disclosed it in full detail other engineers on June 19, 1905. An application was only filed in 1906 when the U.S. inventor's patent with a filing date of June 28, 1905 and a conception date of 1902, had already issued. There had been no other activities in this country on behalf of the foreign inventor. Under these circumstances, the foreign applicant lost.

In *Minorsky v. Thilo*, 16 USPQ 401 (CCPA, 1933), an interference proceeding between a German inventor and a U.S. inventor was involved. The German inventor filed his German patent application on January 6, 1923. A description of the invention arrived in the U.S. on September 3, 1923, in the hands of a person who was apparently an assignee of the inventor's rights to the invention. The German inventor's U.S. patent application was not filed until December 24, 1924, almost a year after the expiration of the one year priority permitted by the international patent convention and the U.S. patent law. It was conceded that the German inventor was not entitled to priority as of the date of the filing of his application. He did not allege a reduction to practice in the U.S. prior to his filing date but introduced considerable evidence to show diligence in reducing the invention to practice in the U.S. from the date of introduction of the invention into this country until his filing date.

The U.S. inventor filed his application on June 25, 1926, but was awarded a priority date of May 31, 1924, when he was held to have reduced the invention to practice.

The court held that the German inventor was entitled to September 3, 1923, as his conception date in the U.S. This was the date on which the inventor's assignee arrived in this country with a written document containing a full disclosure of the invention. The court further held that the German inventor was entitled to priority because he was "diligent" in reducing the invention to practice during the period immediately preceding the U.S. inventor's invention date (May 31, 1924) and his application date of December 24, 1924. In so holding, the court attributed

to the German inventor the activities of the U.S. assignee. The Board of Patent Appeals had stated that since the German inventor "personally could do nothing in this country and had presumably passed title to the invention it would seem that this diligence on behalf of Dubilier (the assignee) should inure to the benefit of (the German inventor) or those now in interest in the invention". The Court of Customs and Patent Appeals also held that "responsibility for reasonable diligence in the particular circumstances heretofore stated, rested upon Dubilier and those who worked under or with him". The court also rejected the contention of the U.S. inventor that the delay of some 15 months between the conception date and the date of the U.S. patent application constituted a lack of diligence. The court noted that during the critical period between May and September 1924 "the record shows continuous activity either in the way of experimenting (in the United States) or in a great amount of correspondence which was going on between the inventor in Germany and his representatives here". The court also stated that the delay in filing the application in the months of October and November 1924 were excusable because Dubilier was waiting for the return of the application from Germany and because of a misunderstanding between the parties as to who would prepare the application.

In *Wilson et al. v. Sherts, supra*, in an interference proceeding between a U.S. inventor and English inventors, the English invention was disclosed by a collaborator, apparently not named in the patent application, in the U.S. in October 1928. After this disclosure, the collaborator returned to England, the English inventors proceeded with their experimentation in England; and they filed an English patent application in March 1929. They were entitled to this priority date under the international convention and under the U.S. patent law because they filed their U.S. application within one year.

Although the U.S. inventor did not file his U.S. patent application until November 1930, he was awarded a date of reduction to practice in the U.S. of December 1928.

The court held, first, that the English inventors were entitled to October 1928 as their conception date in the U.S. However, the court denied priority to the English inventors on the ground that their diligence in reducing the invention to practice in England between October 1928 and their priority date of March 1929 could not be considered. The court held that the English inventors could prevail only by showing diligence in the U.S. during the critical period between October 1928 and March 1929. The court noted that "it is conceded that there was nothing done (by the English inventors) in the United States, or by anyone in this country on their behalf, toward reducing the invention to practice" during that period. The court further stated that

> "The evidence clearly establishes that there were no activities by (the English inventors) in the United States toward reducing their invention to practice during the critical period. Had there been such activities in the United States, we express no opinion as to whether, under such circumstances, the activities of (the English inventors) could be considered on the question of whether they had shown the necessary diligence."

It should be noted that the court did not question that activities by the English inventors, or someone on their behalf, in the U.S. could, had there been any such activities, be considered on the question of diligence. By thus narrowing its decision, the court distinguished *Minorsky v. Thilo*, *supra*, the holding of which it did not disturb. Indeed, the court pointed out that, in *Minorsky v. Thilo*, the German inventor's U.S. representative "had been diligent in this country in reducing the benefit of (the German inventor)".

An interesting situation is presented in *General Talking Pictures Corp. v. American Tri-Erqon Corporation et al.*, 36 USPQ (3d Cir. 1938). This was an interference proceeding in which the prevailing party first conceived his invention on shipboard. The inventor, a U.S. citizen, sailed from New York on October 6, 1918, aboard a ship of British registry. On October 12, 1918, while at sea, he had a conversation with his patent attorney, Samuel E. Darby, who was also on board the ship and corroborated the story, and reduced to writing his conception of the invention. In holding that the inventor was entitled to the date of his re-entry into the U.S. as his date of conception, the court stated as follows:

> "There is evidence to indicate that (the inventor) returned to the United States upon January 1, 1919, and this date the Board of Appeals held should be taken to be the date of his conception of the invention, since upon October 12, 1918, he was on the high seas upon a ship of British registry. Since it is the recognized practice in the United States Patent Office in cases of interference to allow a foreign inventor to claim as the date of his conception of an invention, the date upon which a letter sufficiently describing that invention is received in the United States, (the inventor) as a citizen of the United States certainly must be put in no worse position than a foreign inventor and we therefore hold that he is entitled to claim January 1, 1919, the first day of his re-

entry into this country, as the date of his conception of the invention in question".

(Query: would the situation be different if an inventor travels on an American ship?)

In *Langevin v. Nicolson*, 45 USPQ 92 (CCPA, 1940), an invention relating to piezophony was made in France and allegedly disclosed in Washington D.C. in June 1917 by a Franco-Britannic mission at scientific conferences. However, all the affidavits relied upon by Langevin to establish the introduction of the invention into the U.S. were made sixteen years after the alleged disclosure and they were held inadequate for him to be awarded conception.

A significant case is *Mortsell v. Laurila*, 133 USPQ 380 (CCPA, 1962): a contest between a German inventor, Laurila, and a Swedish inventor, Mortsell. Mortsell was senior party on the basis of a Swedish application filed April 15, 1954.

Laurila's German agent sent a text of a specification in German to U.S. attorneys who received it on March 12, 1954. The text was translated and a U.S. application was sent back to Germany on April 1, 1954. Laurila executed it on May 3-5, 1954. It was mailed to the U.S. attorney by the German agent on May 11, received in the U.S. on May 18 and filed on May 20. The Patent Office, in a decision not reported, held Laurila to have been diligent. The CCPA affirmed. Since the period in which diligence was required to have been shown was from just prior to April 15, 1954 when Mortsell filed, until May 20, and since the major part of that time involved only activity in Germany, it is clear that such activity must have been considered in weighing diligence.

In the two-count interference behind *Lassman v. Brossi et al, supra* the British and Swiss applicants had filed their foreign applications on the same day. Lassman proved, however, that a letter and memorandum disclosing a process meeting the terms of count 2 had been sent to his attorney Pike in the U.S. several months prior to his British filing date and that Pike had read and understood this memorandum, endorsed this fact on the face of the memorandum and acknowledge receipt of it. Lassman was therefore awarded priority as to count 2. But as to count 1 which covered a derivative of the product made by the process of count 2 neither party was entitled to judgment of priority because neither party had established prior importation.

In *Clevenger v. Kooi*, 190 USPQ 188 (Bd. Pat. Intf. 1974), involving Texas Instruments and U.S. Philips, it was held that the introduction into the U.S. of a copy of an original invention disclosure which was prepared in a foreign country

and which contained an enabling disclosure of the invention of the counts constituted a conception of that invention in the U.S. and that it was not necessary that the disclosure in question be both communicated to and understood by someone in this country in order to constitute such conception. In an earlier (1967) but unpublished Board decision, *Scheer v. Kincl* (U.S. Pat. No. 3,390,157; Interference No. 92,644 involving Syntex and Johnson & Johnson) a Mexican invention disclosure also was simply filed away after it was received in the U.S. and here too the Board held that reading and understanding of the foreign invention disclosure was unnecessary.

According to these decisions, importation of a disclosure of a foreign invention which is tantamount to conception in the U.S. is established when a disclosure is received here and filed away without having been read by anybody, the only requirement being that it contains an enabling disclosure.

This raised immediately the question of whether it was necessary to continue to "import" foreign invention disclosures by reading them and annotating them as having been read and understood by at least one person and preferably two persons capable of reading and understanding them.

It is submitted that the Board went out on a limb with these decisions as it put foreign inventors in a better position than U.S. inventors because a U.S. inventor could not simply prepare a disclosure and have it filed away without anybody having read it. If this were possible why the conventional practice of witnessing or even notarizing conception records or invention disclosures? And *Mortsell v. Laurila, supra*, which was relied on, did not support the position taken by the Board because in the *Mortsell* case a disclosure from abroad, namely, a draft patent application was being translated in this country, revised and worked up into a final U.S. text which is an entirely different situation from the one found in *Clevenger* where a disclosure was simply put away to collect dust.

Tapia v. Micheletti v. Ignall, 202 USPQ 125 (Bd. Pat. Intf., 1977), involved an interference between three foreign inventors. The count involved a method for closing the toe of a stocking. Micheletti relied solely on his Italian filing date of October 9,1967. Wignall relied solely on his British filing date of October 27,1967. Tapia, a resident of Mexico, filed his U.S. application on April 17, 1968 apparently not filing in Mexico, or at least not claiming the benefit of a previous Mexican filing date. Tapia attempted to antedate the other parties by showing a prior U.S. conception coupled with diligence. He presented stockings made using the method to Leventhal along with a written description of the method. Leventhal had a general understanding of the invention but was not aware of all the subject matter set forth in the count. Leventhal brought the

stockings and description into the U.S. in May of 1967 and disclosed them to Tapia's U.S. assignee. Among those present at the disclosure was Hart who was experienced in the field. Hart understood what Tapia had done but did not clearly understand how he had done it. The Board held that Tapia had not met his burden of showing a conception because his disclosure was unclear as to the method in issue since Leventhal had only a general understanding of the invention and Hart did not have a clear understanding of how Tapia had performed the method.

Chan v. Kunz, 231 USPQ 462 (Bd. Pat. Intf., 1984), is a case where the foreign inventor did sustain his burden of showing a prior conception which in and of itself was enough to prevail in the interference. The count related to a compound with fungicidal activity. Chan, a U.S. inventor, filed his application on November 1,1977. Kunz, a Swiss inventor, was accorded senior party status on the basis of his Swiss application filed February 4,1977. Chan antedated Kunz's priority filing date by showing an earlier conception coupled with diligence. Kunz however was able to show a conception even earlier than Chan's conception by proving that the minutes of a promotional meeting in Basle (which indicated the compound in question had a positive activity) was disclosed to, and read and understood by, his U.S. assignee. Although the compound was identified in the minutes by only a code number, the fact that separate documents were present in the U.S. which linked the code numbers to actual chemical structures was enough to satisfy the identification requirement even if those documents had not been in fact actually consulted. Chan argued that conception had not been proven since the minutes and other documents did not suggest a method of preparing the compound. The Board however held such a method to be obvious.

Thus, in this interference party Kunz would have inexorably lost even though it was senior party (with an earlier effective filing date) because party Chan was able to prove conception before party Kunz' filing date coupled with diligence to their actual reduction to practice. Party Kunz prevailed because it was able to prove introduction of the inventive concept as tantamount to conception in this country before Chan's conception.

The rules that can be deduced from this line of cases is that the foreign inventor (and in fact a U.S. inventor making an invention abroad as well) may establish a U.S. priority or an early invention date by reference to activities in this country by persons acting on his or her behalf. Such inventor is awarded conception as of the date when the invention is first disclosed to and understood or possessed by his or her representatives in this country or brought in by a U.S. citizen to whom the invention was disclosed abroad. He or she do not have to come to the U.S. Introduction of the knowledge or description of the invention is thus conception

or tantamount (equivalent in effect) to conception in this country when it is read and understood by someone in this country capable of doing so. The disclosure must of course, be adequate and full.

The need that knowledge of a foreign invention is possessed by someone in this country is of course bottomed on the basic principle of U.S. patent law, reiterated in the *Monaco* case, *supra*, that there must be assurance that an invention will be rendered available to the American people.

At this point and in this context mention should be made of the Disclosure Document Program of the Patent Office. Insofar as foreigners are concerned this could be construed as providing means for importation of disclosures of foreign inventions. Filing of a Disclosure Document establishes at best only a conception date. (Query: is it even that much since it is not read and understood by someone who could corroborate this and is kept only for two years and then thrown away unless a patent application has been filed and reference to the disclosure document has been made?)

V. IMPORTATION OF EMBODIMENTS OF FOREIGN INVENTIONS

While the law on importation of foreign inventions is quite clear on the issue of whether knowledge of a foreign invention when imported is tantamount to conception in this country, it is not so clear on whether importation of an embodiment of a foreign invention is reduction to practice or tantamount to it, especially with respect to chemical compounds and electronic apparatus. I submit it should be.

With respect to this issue the decisions are fewer yet. In *Swan v. Thompson*, 28 USPQ 77 (CCPA 1936), three interferences were involved. According to the court the facts were "not in serious dispute, but the conclusions to be drawn from them and the proper application of the law to them are matters of much controversy." *Id* at 79. Swan made the invention which related to safety razors and blades therefor in England. He brought samples to the U.S. — later exhibits in court — and with intention to sell his invention showed them in the U.S. to Thompson of Gillette and others, some of whom shaved with them. Swan introduced testimony taken in England and here to show, among other things, that when he brought the razors and blades into this country he was in complete possession of the invention. The court, overruling the Interference Examiner and the Board of Appeals, agreed with Swan and held:

> "Swan having completed the structure embodying the

> issue of the counts and disclosed it to others and found it to be useful for any purpose should not be deprived of the benefits flowing therefrom because another entering the field later has found that additional beneficial results could be obtained from it." *Id.* at 82

Although, at first blush, this case appears to be a derivation case involving the issue of originality inasmuch as Swan claimed that Thompson obtained the invention from him, it is not such a case. "The tribunals below found to the contrary and it is not necessary in view of our conclusion that Swan was the first inventor of the subject matter of the counts here involved, to pass upon this question..." said the court. (*Id.* at 82)

In *French v. Colby et al.*, 64 USPQ 499 (D.C. Cir. 1945), cert. denied 326 U.S. 726 (1945), the opinion of the Court of Appeals is rather cryptic, and the opinions in the District Court and the Patent Office appear not to have been published. However, it does appear from the opinion that foreign inventors (French et al) sent from their office in England to their U.S. "affiliate" a letter dated January 27, 1939 describing the invention and enclosing a sample (integrally woven ladder web for venetian blinds). The letter was received in the New York office of their U.S. affiliate by one Harris in "early February", who in turn took it "early in March 1939" to one Gibbons, the manager of their mill in Massachusetts who was capable of understanding the invention. The U.S. inventors' (Colby et al) "date of disclosure" was March 6, 1939.

The court in reversing the District Court held:

> "We agree with the Patent Office that French is entitled to a date early in February 1939, when his letter was received in New York. [citing *Winter v. Latour*, *supra*, and Rivise & Caesar]. The letter specified the problem to be solved, described the solution, and enclosed a sample. The invention is sufficiently simple... to be understood even by a non-expert person. But in any event, it passes belief that Gibbons, an admitted specialist, who had been working toward a solution of the same problem, should not have had the slightest difficulty in understanding the invention when the sample was shown to him prior to March 6, 1939."

It is interesting to note that Colby had argued — to no avail — that it was necessary to examine the specimen under a magnifying glass in order to

understand it.

A third case was *Kravig et al. v. Henderson*, 150 USPQ 377 (CCPA, 1966), in which a machine for fabricating decorative bows was brought in from Canada by the Canadian Henderson and installed and operated at Plattsburg, New York, by others allegedly in 1955. The Board of Interferences had awarded all four counts to Henderson, even though he had to prove his case beyond a reasonable doubt. However, the CCPA on appeal awarded Henderson only two counts because the other two counts did not read on the imported machine.

Andre v. Daito, 166 USPQ 92 (1969), manifestly was an importation case even though this is apparent not so much from the decision as from the file history. Andre, a U.S. businessman, conceived a design of a desk lamp in this country and went to Japan where he reduced it to practice. He brought back a model and the day when he arrived in San Francisco with the model was the day of his reduction to practice. This was on September 4, 1966. Daito filed in Japan on September 12, 1966; he was senior party inasmuch as Andre had only filed on December 27, 1966. The holding was as follows:

> "In support of his case for priority Andre has presented well-documented evidence in the form of his own testimony, the testimony of two corroborating witnesses (in addition to statements on record by his attorney relating to the preparation of his involved application) and including some forty documentary exhibits and three physical exhibits.
>
> The above-noted evidence establishes conception of the invention in issue by Andre as early as June 16, 1966 and the presence of a model...in the United States in his custody in early September of 1966 prior to September 12, 1966 the date to which Daito is restricted.
>
> Such model...embodies the invention in issue and sustains a holding that Andre had both conceived and reduced the invention to practice prior to Daito." *Id.* at 93.

In *Weigand v. Hedgewick*, 168 USPQ 535 (1970), the invention which related to safety caps or closures for containers of drugs or medicines, was independently made by two Canadians whose applications were filed on April 5, 1966 and June 27, 1966, respectively. The senior party Hedgewick took no testimony but

Weigand introduced "a mass of testimony and exhibits" the bulk of which related to "activities occurring wholly in Canada leading up to the asserted introduction of the invention into the United States". However, the only evidence relating to the actual receipt in the U.S. of a sample and a pamphlet was by one Simmons, the Executive Secretary of the National Association of Retail Druggists, to whom Weigand wrote in an attempt to promote his invention in this country. Unfortunately, Simmons could only recall that he saw the sample and that there was some information that accompanied the sample. He remembered no details and the sample was lost. In holding against Weigand under these circumstances, the Board distinguished the *Swan*, *supra*, and *Wilson*, *supra*, decisions wherein it had been proven that the inventions supporting the counts were disclosed in this country prior to the opposing parties' record dates.

A quite interesting case was *Rochling et al. v. Burton et al.*, 178 USPQ 300 (Bd., Pat. Intf. 1971). Shell synthesized compounds in Germany and sent them to California for testing but in an interference failed to prove priority vis-a-vis an earlier field application of British origin. While Shell were able to establish herbicidal utility by virtue of the California tests, they "failed to establish the identity of any of the compounds tested" or rather "the identification of the compounds in question (was) dependent entirely on information allegedly obtained from the (German) inventors".

Clearly the most significant "importation" case to come down is *Breuer et al. v. DeMarinis*, 194 USPQ 308 (CCPA 1977), in which Squibb and SmithKline were the protagonists. In this case, the CCPA overruled the Board of Interferences, recognizing "the realities of technical operations in modern day research laboratories" and hence taking a "rule of reason" approach in determining the type and amount of evidence necessary for corroboration. Specifically, the Court held, albeit in a Rule 204(c) context, that it would be "unreasonable" to require a second, domestic chemical analysis of a compound introduced into the U.S. by the junior party when, based on a previous analysis performed abroad (IR spectrum which the Court considered to be a "fingerprint"), professional researchers are able to state that the compound corresponds to the subject matter of the interference count. The Court stated (at p.313):

> "Clearly, 35 USC 104 does not preclude using evidence of the inventor's knowledge from a foreign country for all purposes, but only where it is used to 'establish a date of invention.' See Hedgewick v. Akers, 182 USPQ 167 (CCPA 1974). Here, the knowledge of the inventors, embodied in the Transmission Record, is admissible evidence to prove the chemical structure of the

compound introduced into this country. Cf. Rebuffat v. Crawford.... 20 USPQ 321, 324 ((CCPA) 1934)."

The Board found that "no person analyzed the compound in the U.S. to determine or confirm its structure" as the subject compound and, citing *Rochling et al. v. Burton et al., supra*, held that "(i)nasmuch as applicants have failed to prove knowledge of the structure in the United States to patentee's filing date, they have not made out a prima facie case...".

In the *Rochling* case, however, Shell had synthesized compounds in Germany and had sent them to California for testing but noone in California who handled the imported compounds knew the chemical nature of the compounds other than the code numbers, no analytical data having been supplied by Germany, and the compounds were not analyzed before they were placed in the screens by anybody and there was no discussion of any specific compounds with one of the inventors while visiting in California. A deplorable *de facto* but not *de jure* case of importation! Thus, the *Rochling* case was readily distinguishable.

Kondo v. Martel, 220 USPQ 47 (Bd. Pat. Intf., 1983), is an interesting case which considers both importation as means for showing both conception and actual reduction to practice, as well as connecting foreign acts with acts in the U.S. to show diligence. Kondo involved an interference between two foreign inventors. The count related to lactones useful in the manufacture of insecticides. Martel relied solely on his French application date of June 27,1977. Kondo, a Japanese inventor, filed his U.S. patent application on February 6,1978 without claiming the benefit of a foreign application. Kondo introduced evidence attempting to show a conception antedating Martel's effective filing date coupled with diligence to an actual reduction to practice in the U.S. or alternatively diligence coupled to his filing date. In October of 1976, FMC Corp. (Kondo's assignee) had contracted with Kondo to perform research in Japan. Kondo supplied monthly reports to FMC containing both a summary report and a monthly report along with notebook pages. On December 13, 1976 FMC received such a report detailing a synthetic route to the lactone of the count. This report was read and understood by an FMC chemist. Batches of the lactone were then prepared in Japan and NMR spectra were allegedly taken. The batches were combined and purified and sent to the U.S. without the spectra allegedly taken, being labeled only with the structure and boiling point. This was received in the U.S. on August 6, 1977. FMC did not take independent spectra of this compound. On June 24, 1977 an FMC chemist suggested an alternative synthetic route to the lactone. Appropriate starting materials were obtained on July 25, 1977 and sent for purity analysis. U.S. synthesis of the lactone began August 8, 1977. By October 27, 1977 the lactone had been prepared and spectroscopically

identified.

The Board accepted December 13, 1977 as Kondo's conception date citing *Clevenger v. Kooi* (clearly distinguishable in that the report had been in fact read and understood by an FMC chemist). The Board rejected Kondo's assertion that receipt of the lactone received from Japan on August 6, 1977 constituted an actual reduction to practice distinguishing *Breuer et al. v. DeMarinis*, in that the Japanese NMR spectra were not sent with the compound and no independent verification of the compound's identity occurred in the U.S. The Board determined that Kondo was entitled to an actual reduction date of October 27, 1977. (The date the compound was prepared and identified in the U.S.). The Board found diligence just prior to Martel's June 27, 1977 filing in the FMC chemist's suggestion of an alternative synthetic route, and diligence from the date of receipt of the starting materials (July 25, 1977) until Kondo's actual reduction to practice. The Board however found a gap in diligence between June 26 and July 27. FMC's attorney was not found to be "actively engaged" in the preparation of an application during this period. The attorney testified that during this period he was awaiting receipt of a report on the project and the results of a literature search before preparing the application. The person preparing the report had died and the Board found insufficient evidence of activity during the entire period of June 26 until July 27. Although FMC had received a monthly report from Kondo covering this period and had read and understood the report, the Board would not allow Kondo to rely on work done in Japan during this period unaccompanied by activity in the U.S. (The Board did not consider the passive reading of the report in the U.S. to constitute "activity").

In *Staehelin v. Secher*, 24 USPQ 2d 1513 (BPAI, 1992) the Board held that testing in the U.S. of monoclonal antibodies, received from Switzerland with an explanatory letter characterizing their nature, was necessary to constitute "an introduction of an actual reduction to practice of the subject of the count in the United States". *Shurie v. Richmond, infra*, was cited but that case is not apposite because it dealt with a method invention and, as will be seen below, a method invention requires carrying out the method in this country to establish reduction to practice. And *Breuer v. DeMarinis, supra*, was distinguished by the Board on the flimsy procedural basis that only old Rule 204(c) was involved that required but a *prima facie* case of priority. Also, in the *Breuer* "there was evidence that the compound introduced into the United States and identified as a compound within the count was subjected to testing in the United States." Testing of compounds after receipt is, of course, normally done for developmental and other purposes but that does not make it a legal requirement. In other words, the Board had no authority to rely on in *Staehelin* for the proposition that testing in the U.S. was requisite. There is no indication that the cover letter accompanying

the imported compounds provided clear test data from Switzerland so that the attempted importation may have failed for that reason. But more importantly, even if there had been adequate reduction to practice based on receipt of the compounds on May 22, 1980 rather than, as the board held, only on June 2, 1980 based on testimony in the U.S., party *Staehelin*, (whose conception date was Jan. 1979 when it introduced a conception) still would not have prevailed because party Secher's invention date was April 11, 1980 and Staehelin had to prove diligence from just before April 11, 1980 to its reduction to practice date, whether it was May 22, 1980 (receipt of compounds) or June 2, 1980 (testing in U.S.), and the "Staehelin record (was) devoid of <u>any</u> evidence of <u>any</u> activity in this country by the inventors or any activity on their behalf in this country towards a reduction to practice of the invention of the count." All work had been performed in Switzerland.

It it is submitted that it is amply and manifestly clear from these foregoing cases, even though foreign inventors in general do not seem to have fared too well in them, that in proper cases, properly proven, importation of the physical object or embodiment of an invention made abroad, accompanied by full and clear disclosure of its nature and its mode of production and use, is tantamount to reduction to practice in this country. No separate and independent actual reduction to practice in this country by re-construction, re-identification and re-testing should be necessary.

Is the situation different when the invention relates to a method of preparing or using a product which is imported? Of course it is! A method is reduced to practice when the series of steps constituting the invention are carried out in such a manner as to demonstrate the practicability of the process. Hence, importation of a product made according to an inventive manufacturing process or useful in an inventive method of use, could not constitute reduction to practice in this country. In such cases, and only in such cases, would re-constructing or re-testing the product all over again in this country be indeed requisite; that is, a process invention requires practicing the process in this country for reduction to practice, as will be clear from the next case.

In *Shurie v. Richmond*, 216 USPQ 1042 (Fed. Cir. 1983), the count of the interference related to a <u>process</u> for making metal oxide abrasives. Shurie, a Canadian, conceived the process in both Canada and the U.S. (by importation) in March of 1968, performed the process in Canada in April of 1969 and imported the abrasive made by the process to his U.S. assignee for utility testing in January of 1970 . Shurie filed for U.S. patent in February of 1971. Shurie was senior party as Richmond, a U.S. applicant, did not file until June of 1971. Richmond was able to antedate Shurie's filing date by showing conception in May of 1970

and actual reduction to practice by performing the process in December of 1970. The Board of Interferences awarded priority to Richmond. Shurie appealed arguing that the importation of the abrasive into the U.S. for utility testing in January of 1970 constituted an actual reduction to practice under *Breuer et al. v. DeMarinis*, *supra*, antedating Richmond's date of conception. The Federal Circuit held that "importation into the United States of a product produced by a particular process is not equivalent, for patent entitlement purposes, to performance of the process in the United States". (*Id.* at 1045.) The Federal Circuit distinguished *Breuer* by noting that it concerned a product as opposed to a process.

At first blush this result may seem inequitable since Shurie had a U.S. conception predating Richmond's conception by more than two years, was the first to file in the U.S., yet lost the interference. However, as the Federal Circuit pointed out Shurie could have prevailed by showing diligence from just before Richmond's conception in May 1970 until Shurie's filing in February of 1971, yet Shurie did not allege this. The Federal Circuit did not question the Board's finding of a U.S. conception in March of 1968. (The details of this conception are not revealed and the Board's decision appears to be unpublished.) The Federal Circuit's holding that a reduction to practice of a process requires the performance of the process (in the U.S. per Section 104) can hardly be considered a radical or unprincipled decision. According to *Corona Cord Tire Co. v. Dovan Chem. Co.*, 276 U.S., 358 (1928), a process is reduced to practice when it is performed.

VI. IMPORTATION OF EMBODIMENTS OF COMPLEX INVENTIONS

Of course, in the case of a simple invention like a lamp design, a ladder web for venetian blinds, perhaps even a razor and a machine for making bows, mere visual inspection may reveal the nature of the invention and its mode of construction and use. However, complex electronic apparatus and chemical compounds defy visual identification, but that does not mean that therefore they cannot be imported as a legal matter without being reduced to practice in this country all over again. It merely means that the burden of proof is more onerous. It is then indispensable, in order to establish the nature or identity of the invention, to submit evidence based on actual or stipulated testimony taken abroad or in this country in case the inventor and his representatives came here for the purpose. A whole chain of evidence may then have to be forged to demonstrate, for example in the case of a chemical compound, that the compound made was the compound analyzed, was the compound tested, was the compound shipped, was the compound received.

It is perfectly clear that Section 104 does not ban, and never has banned,

testimony relating to acts outside the U.S. where the testimony is used to show merely the identity of an invention introduced into the U.S. and is not designed to establish dates of invention abroad. Some of the cases discussed above bring this out and enactment of Section 104 did not render these authorities nugatory.

Another case is *Rebuffat v. Crawford*, 20 USPQ 321 (CCPA 1936). Rebuffat took testimony in Italy, dealing with conversations he had with his agent, one Pomilio, about work he had done in Europe. Pomilio came to the U.S. and assertedly discussed the invention with Crawford. The Court held that Rebuffat had not proved introduction into the U.S. "beyond reasonable doubt." On the question of activity abroad the Court remarked that Rebuffat could not obtain any benefit for the work he did abroad but then added:

> "The nature of his work abroad might be important in determining the identity of the invention or whether he had any concept of it or not, but it is incumbent upon him to prove, in this case, that the invention was introduced into the United States prior to the filing date of the senior party..." *Id.* at 324.

In Interference No. 93,802 of record in the file of the U.S. Patent No. 3,454,554, numerous affidavits were filed to establish the identity of the compound received in this country from Switzerland. The opponents moved that all of these affidavits be stricken from the record as violative of Section 104 but the Board of Interferences held that the evidence would not be stricken particularly since the events abroad may be necessary for a complete understanding of what occurred in this country. In interferences involving an originality contest (who made the invention first) rather than a priority contest (who made the invention first) it is well-established that foreign activities can be relied on, *Nielsen v. Cahill*, 133 USPQ 563 (Bd. Pat. Intf.,1961) and *Hedgewick v. Akers*, 182 USPQ 167 (CCPA, 1974) cases cited therein. Here, too, we have a very similar rationale and no attempt to prove an invention date abroad.

VII. DILIGENCE

In addition to conception and reduction to practice or something tantamount to it, diligence may also be an issue. On the one hand, perhaps, diligence is the most serious problem if there is an importation of knowledge of a foreign invention and nothing further in a situation where diligence is requisite during the critical period, i.e. where a party conceives an invention prior to but reduces it to practice after a rival inventor, the critical period being a period which starts before the rival inventor's conception and ends with the party's own reduction to

practice. On the other hand, no diligence problem need arise if a completed invention is imported including a model or sample or if a patent disclosure is sent to a U.S. attorney who works diligently with it towards U.S. filing or a machine or compound is shipped in for testing or use which is diligently carried out or, as became clear from *Chan v. Kunz, supra*, where a foreign party imported a conception before a U.S. party's conception and filed a foreign priority application before the U.S. party's reduction to practice.

In re Mulder 219 USPQ 189 (Fed. Cir. 1983), is an illustrative case involving diligence. Mulder prepared his U.S. application in the Netherlands and sent it to his U.S. assignee's patent department. The application was received July 15,1974. Mulder filed his Netherlands application on October 9,1974 and filed his U.S. application within the one year priority period pursuant to 35 U.S.C. §119. The U.S. examiner rejected certain claims as obvious based on an article written by Rogers published October 7, 1974 coupled with other references. Mulder attempted to antedate this reference under Rule 131. The Patent Office recognized Mulder's importation of his application as a conception in the U.S., yet found the article not antedated because Mulder had not shown diligence from his U.S. conception date until his U.S. filing date. (The Office refused to consider his foreign filing date as a constructive reduction to practice!). Mulder appealed to the Federal Circuit arguing that his foreign filing should be accorded the status of a constructive reduction to practice. Mulder also challenged the Office's determination that diligence was not shown arguing that: 1) diligence was not required because antedating a reference under "Rule 131" should be treated like an interference and that since Rogers had not reduced to practice Mulder was both first to conceive and first to reduce; and alternatively; 2) a liberal construction of Rule 131 would require only a showing of diligence from just prior to Rogers' publication until Mulder's constructive reduction and that since this was only a two day period the Office should have found diligence.

The Federal Circuit agreed that Mulder's foreign filing date provided a constructive reduction to practice but rejected the other arguments. In response to Mulder's argument that Rule 131 practice should be treated like an interference the Federal Circuit noted that Rogers was not an applicant but a printed publication and therefore prior art under §102(a) and 103. The court noted that interference involves policy questions not present in antedating a reference and therefore interference rules do not necessarily apply. The court agreed that a liberal construction of Rule 131 permitted a showing of diligence from just prior to the publication until an actual or constructive reduction to practice, but that such a liberal construction should not be extended to eliminate all proof of diligence no mater how short the period. Mulder had no evidence of record showing activity in the U.S. during the two day period in question.

Mortsell, supra, can be distinguished in that Mulder's U.S. attorney merely received a completed U.S. application from the Netherlands and apparently did not work on it. Perhaps Mulder would have been better off sending his Netherlands application to the U.S. to be translated and worked up into a U.S. application. Diligence might have been able to be shown this way under *Mortsell*.

In re Mulder also demonstrates that the subject of importation also has relevance in Rule 131 practice and validity studies as was mentioned at the outset. This is also illustrated, for instance, in *Ex parte Pavilanis et al.*, 166 USPQ 413 (Board of Appeals 1969) where a reference was sworn back of by virtue of importation from Canada of a patent application draft for the purpose of filing in the U.S. A successful Rule 131 affidavit based on importation is also found in the file history of U.S. Patent No. 3,448,200.

A final interesting legal point is whether on the diligence issue activities abroad can be relied on if coupled with activities in this country. Section 104 would seem to preclude it. Rivise & Caesar, Interference Law & Practice, Vol. I, Sec. 187, p. 585 (1940) indicate that it can be done citing *Wilson et al. v. Sherts et al., supra*. There the court stated that "activities abroad...unaccompanied by any activities in the United States may not be considered in establishing diligence..." citing *Hall v. O'Connor*, Interference No. 51,743, an unpublished decision, where there were activities in the U.S. and Canada and the Board held that the Canadian activities could be relied on although the work done in the U.S. would have been sufficient.

In *Lorimer v. Erickson*, 1916 CD 200 (App. D.C. 1916), evidence of diligence abroad was admissible. Lorimer conceived the invention in this country in 1904. He then went to France, where he built and operated a successful embodiment. He returned in November 1905 and on November 18, wrote to a patent attorney to begin preparation of an application. The application was filed in April 1906. Erickson's date was December 9-15, 1905, so that Lorimer's diligence was the crucial question. The Court found that he had been diligent, and in so holding clearly considered Lorimer's activity in France, for it said

> "Diligence in the particular case depends upon the special facts and circumstances attending it. It is quite clear that Lorimer never gave up the invention. He carried it to France with him where he was engaged in filling a contract of his employers with the French Government, and there constructed it and tested it completely with the automatic telephone system then

installed.

> Appreciating the importance of the invention, he immediately upon his return to the United States disclosed it to the patent attorney....He was not concealing the invention, nor did he show any intention to abandon it...." *Id.*at 203.

In *Rosen et al. v. NASA*, 152 USPQ 756 (Bd. Pat. Intf., 1966) involving a satellite communication system, the Board accepted coupling (citing *Wilson v. Sherts*, *supra*) since the system necessarily extended outside the U.S. It is granted that this is a special situation but coupling should as a practical matter be possible as is illustrated in *Mortsell v. Laurila*, *supra*. If the ball bounces back and forth so to speak as was the case there with respect to the preparation, review and execution of a patent application, perhaps it can be said that while the ball is abroad there is at least a reasonable explanation for the inactivity in this country at the moment.

VIII. IMPORTATION PROCEDURE

From the cases discussed above and the principles enunciated in them, an outline of a procedure for legally and procedurally adequate and effective importation of both conception and actual reductin to practice can be put forth. Such a procedure would consist essentially of three steps:

1) It would involve as early as possible a full disclosure of the foreign invention in the U.S., preferably in writing, including detailed information on the mode of preparation, the nature and constitution of the invention and its utility and accompanied, where feasible, by a model or sample or other embodiment of the invention.

2) These materials would be promptly and carefully studied and inspected upon receipt, preferably by two persons who are capable of understanding the invention and who master the language if a foreign language is employed — otherwise a prompt translation would have to be obtained. Each person would date and sign and annotate each page as having been read and understood by him. Incidentally, also foreign priority applications can be handled in the same manner just in case something goes wrong with the Convention filing or claim of priority.

3) These materials, including any sample or sub-sample or other embodiment,

would be carefully kept or preserved and good records would also have to exist abroad pertaining to the production, identification, testing and importation of the invention. Independent testing and exploration of the nature of any embodiment of the invention, e.g. analytical structure corroboration in case of a chemical substance, would be a desirable backstop.

While foreign inventors more often have failed than prevailed in U.S. interference proceedings either because they had not resorted to importation at all and were restricted to their foreign priority dates or they had imported their inventions as a substantive matter but were unable to prove it as a procedural matter, the author submits that foreigners fully aware of the importation opportunities and heeding the above-outlined procedure, could have fared much better in priority contests.

IX. CONCLUSION

Importation of foreign inventions remains a viable means for foreign inventors to establish earlier invention dates in both the context of interference and Rule 131 practice as well as validity issues. The particular facts in each case including the evidence submitted by opposing parties will determine whether or not the importation is sufficient for the foreign inventor to prevail. The alternative of relying solely on foreign (or U.S.) filing dates provides foreign inventors with far less options when involved in an interference or when attempting to antedate a reference under Rule 131. The most difficult problem with importation involves the case where diligence during a critical period must be shown in order to prevail. Foreign activity can not be relied on unaccompanied by U.S. activity and foreign inventors generally find proving activity in the U.S. during the entire critical period to be a difficult task.

Karl F. Jorda

KFJ/Ruh
Dec. 1, 1993

THE VIEW FROM THE CAFC

Judge Paul R. Michel

US Court of Appeals for the Federal Circuit

Patent Interferences: At the Crossroads!

ctober 1, 1994 Franklin Pierce Law Center

Patents and the Federal Circuit

Third Edition

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The Bureau of National Affairs, Inc., Washington, D.C.

It is untimely to submit evidence of unobviousness after an adverse Board decision without a showing of good and sufficient reasons why it was not earlier presented.[48]

An inferior court has no power or authority to deviate from the mandate issued by an appellate court. This rule is equally applicable to the duty of an administrative agency, such as the PTO Board, to comply with the mandate issued by a reviewing court.[49]

§15.2 Interference Proceedings

United States patent law embraces the principle that the patent right is granted to the first inventor rather than the first to file a patent application.[50] As a consequence this country has, almost unique in the world, a procedure for resolving patent "interferences." This procedure is conducted, in the first instance, in the PTO; federal district courts do not have original jurisdiction to conduct an interference.[51] The Federal Circuit, not without justification, has branded the "tortuous interference practice" as the culprit for delay in the patenting process.[52] Interference proceedings are not only tortuous, they are virtually incomprehensible to the uninitiated. They are, in a word, arcane.

Fortunately, the Federal Circuit recently provided a nice review of interference procedure in *General Instrument v. Scientific-Atlanta,*[53] which can serve as a brief introduction to the topic. Thus, a common two-party interference before the PTO is an administrative proceeding expected to be concluded in 24 months. Once the PTO sends a notice of declaration of interference to each party, it also sets a period for filing preliminary statements and preliminary motions, a period that usually is three months. A preliminary statement is a formal document that serves several purposes. Initially, it permits the issuance of show cause orders by an examiner-in-chief of the Board when it would be futile to take testimony. It also limits a party's proof on date of invention and provides notice of the opposing party's case at the close of the motions period in most situations. A preliminary statement may be filed at any time during the period for filing motions. It is filed in a sealed envelope and is usually un-

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[48]*In re Nielson,* 816 F.2d 1562, 2 USPQ2d 1525 (Fed. Cir. 1987).

[49]*In re Wella A.G.,* 858 F.2d 725, 8 USPQ2d 1365 (Fed. Cir. 1988).

[50]*Paulik v. Rizkalla,* 760 F.2d 1270, 226 USPQ 224 (Fed. Cir. 1985).

[51]*Consolidated World Housewares, Inc. v. Finkle,* 829 F.2d 261, 4 USPQ2d 1565 (Fed. Cir. 1987).

[52]*Studiengesellschaft Kohle v. Northern Petrochem. Co.,* 784 F.2d 351, 228 USPQ 837 (Fed. Cir. 1986).

[53]*General Instr. Corp. v. Scientific-Atlanta, Inc.,* 995 F.2d 209 (Fed. Cir. 1993). *In re Van Geuns,* 946 F.2d 845, 20 USPQ2d 1291 (Fed. Cir. 1991), provides a good historical account of interference practice, particularly in the context of review; it also gives some of the legislative history of the 1984 amendments that streamlined interference procedures.

available to the opposing party until the examiner-in-chief in charge of the interference rules on the preliminary motions and directs that it be opened.

The preliminary motions are usually a critical part of an interference. Although the Board may consider any issue in order to prevent manifest injustice, a party may not raise any issue at the final hearing that properly could have been raised by a preliminary motion, a motion to correct inventorship, or in an opposition to these motions if the motions were successful, unless the party shows good cause for the failure to raise the issue in time. The Board may consider any properly raised issue which, in addition to issued raised in preliminary motions, may include issues of unpatentability presented by the examiner-in-chief. The parties aid in identifying such issues pursuant to their duty to disclose information material to patentability. Such information is submitted to the examiner-in-chief in information disclosure statements. If the rulings on the preliminary motions do not terminate the interference, the preliminary statements are served on the opposing party and opened.

Periods are then set for discovery and taking testimony. After a final hearing, the Board issues a decision. A party dissatisfied with the decision may seek reconsideration, or it may appeal directly to the Federal Circuit based on the Board record. Alternatively, a party may proceed to a district court for a hybrid appeal/trial de novo proceeding in which the PTO record is admitted on motion of either party, but may be supplemented by further testimony.

Under 37 CFR §1.616, the examiner-in-chief and the Board have discretionary authority to sanction an interference party who fails to comply with an interference regulation. This represents a permissible exercise of the authority delegated to the PTO Commissioner by Congress under 35 U.S.C. §6(a) and comports with the Administrative Procedures Act.[54]

(a) Priority in General

The patent statute provides that a person shall be entitled to a patent unless:

> before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.[55]

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[54]*Gerritsen v. Shirai*, 979 F.2d 1524, 24 USPQ2d 1912 (Fed. Cir. 1992). Both a decision to sanction an interference party and the choice of sanction are reviewed for abuse of discretion. *Id.* The court concluded that it was appropriate for the Board to sanction a party for failure to file a belated preliminary motion and a showing of good cause. However, the court felt the Board abused its discretion in selecting the sanction, which was to preclude the party from raising certain issues.

[55]35 U.S.C. §102(g). In a priority contest the party first to conceive and first to reduce to practice prevails. *New Idea Farm Equip. Corp. v. Sperry Corp.*, 916 F.2d 1561, 16 USPQ2d 1424 (Fed. Cir. 1990).

Interferences may be declared between pending applications or, pursuant to 35 U.S.C. §135(b), between an application and an issued patent.[56] An interference proceeding is principally declared to permit a determination of priority, to decide who among multiple patent applicants (or applicants and patentees) was the first to invent claimed subject matter. Issues of patentability can be considered, but infringement will not.[57]

In order to establish priority in an interference, the party who files later is required to establish reduction to practice before the filing date of the party who filed first, or conception before that date coupled with reasonable diligence from just before that date to the filing date of the later filing party. However, in order to establish the prima facie case necessary to entitle a junior party to proceed with the interference, the later filing party is required only to prove at least so much of its case as would entitle it to an award of priority if the senior party were to rely only on its filing date and were not to rebut any of the junior party's case.[58] Where an interference is between pending applications, the junior party has the burden of proving its case for priority by a preponderance of the evidence.[59] The junior party in an interference has the burden of proof to show priority by a preponderance of the evidence. The PTO must examine, analyze, and evaluate reasonably all pertinent evidence when weighing the credibility of an inventor's story. This is a rule of reason standard.[60] All evidence as to priority must be considered as a whole.[61]

The burden of proof, in connection with a motion attacking the benefit of a filing date accorded an opponent in an interference proceeding, is to establish the proposition at issue by a preponderance of the evidence. Under the new rules of the PTO, this burden lies upon the movant. Thus, while the burden initially may be on a party seeking to provoke an interference, or seeking to obtain entitlement to a priority date, once an interference has been declared and a party

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[56]Section 135(b) requires that a claim copied from an issued patent for purposes of interference must be made within a year of the issue of the patent. *Parks v. Fine*, 773 F.2d 1577, 227 USPQ 432 (Fed. Cir. 1985).

[57]*Minnesota Min. & Mfg. Co. v. Norton Co.*, 929 F.2d 670, 18 USPQ2d 1302 (Fed. Cir. 1991).

[58]*Hahn v. Wong*, 892 F.2d 1028, 13 USPQ2d 1313 (Fed. Cir. 1989).

[59]*Morgan v. Hirsch*, 728 F.2d 1449, 221 USPQ 193 (Fed. Cir. 1984). See *Coleman v. Dines*, 754 F.2d 353, 224 USPQ 857 (Fed. Cir. 1985), for an unusual situation involving a substitution of applications and a consequent change from senior party to junior party. It is possible that a party can win an interference without testimony, simply on the basis of facts already of record in the PTO file. But if a party wants evidence considered, it must follow the procedural rules of the PTO Board. *Case v. CPC Int'l*, 730 F.2d 745, 221 USPQ 196 (Fed. Cir. 1984).

[60]*Holmwood v. Sugavanam*, 948 F.2d 1236, 20 USPQ2d 1712 (Fed. Cir. 1991). Under the rule of reason, the PTO cannot ignore the realities of technical operations in modern day research laboratories. *Id.*

[61]*Price v. Symsek*, 988 F.2d 1187, 26 USPQ2d 1031 (Fed. Cir. 1993).

seeks to change the status of the parties by motion, the burden is then on the movant.[62]

Both the patent statute and the regulations of the PTO authorize an interference between an application for a patent and an issued patent. Under the new interference rules adopted in 1984, if the effective filing date of the application is more than three months after the effective filing date of the patent, the applicant is required to file evidence demonstrating that the applicant is prima facie entitled to a judgment relative to the patent, and an explanation stating with particularity how that prima facie case is established. A primary examiner then determines whether a prima facie basis is alleged. If so, then the application goes to an examiner-in-chief for review. If the examiner-in-chief agrees, the interference proceeds. If not, an interference is declared but an order is entered stating the reasons for disagreement and directing the applicant to show cause why summary judgment should not be entered. A PTO Board panel then determines whether to enter summary judgment or permit the interference to proceed.[63] The standard of proof to establish priority of invention in an interference with an issued patent is clear and convincing evidence rather than proof beyond a reasonable doubt.[64]

Although derivation under 35 U.S.C. §102(f) and priority of invention are akin in that both focus on inventorship and both may be resolved by the Board in an interference action, they are distinct concepts. A claim that a patentee derived an invention addresses originality—who invented the subject matter of the count? Under this attack on a patent or patent application, the proponent asserts that the patentee or applicant did not invent the subject matter of the count because he or she derived the invention from another. To prove derivation in an interference proceeding, the proponent must establish prior conception of the claimed subject matter and communication of the conception to the adverse claimant. While the ultimate question of whether a purported inventor derived the invention from another is one of fact, the determination of whether there was a prior conception is a question of law based upon subsidiary factual findings. Contrasted with derivation, a claim to priority of

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[62]*Kubota v. Shibuya,*, 999 F.2d 517, 27 USPQ2d 1418 (Fed. Cir. 1993). It should be noted that the Commissioner filed an amicus brief urging this result. The Commissioner also took the position that this reapportionment of the burden of proof constituted a significant change in the law that created some confusion within the PTO and the practicing bar. Thus the Commissioner urged, and the Federal Circuit agreed, that the case be remanded to permit a limited testimony period in which the movant could seek to satisfy its burden.

[63]*Hahn v. Wong*, 892 F.2d 1028, 13 USPQ2d 1313 (Fed. Cir. 1989). Whether a party seeking to initiate an interference has shown "good cause" for its failure to present, at the time of its original submission, evidence that it later wishes to submit, is a matter within the discretion of the Board. The 1984 rules revision imposes stricter standards for newly presented evidence. The "good cause" standard was intended to tighten the prior practice. Ignorance of counsel as to the provisions of the rules or the substantive requirements of the law is not good cause. *Id.* See also *Huston v. Ladner*, 973 F.2d 1564, 23 USPQ2d 1910 (Fed. Cir. 1992).

[64]*Price v. Symsek*, 988 F.2d 1187, 26 USPQ2d 1031 (Fed. Cir. 1993).

invention does not question whether the patentee invented the subject matter of the count, but instead focuses on which party *first* invented it. Priority goes to the first party to reduce an invention to practice unless the other party can show that it was the first to conceive the invention and that it exercised reasonable diligence in later reducing that invention to practice.[65]

The PTO Board at one time had jurisdiction only over priority and issues ancillary thereto. With the 1984 consolidation of the PTO Interferences Board and the Patent Appeals Board, it is no longer necessary to determine whether an issue is ancillary to priority, because the new Board will resolve both priority and patentability issues when both are fully presented. The public interest in the benefits of a patent system is best met by procedures that resolve administratively questions affecting patent validity that arise in the PTO. To do otherwise is contrary to the PTO's mission to grant presumptively valid patents.[66] Prior decisions respecting whether certain issues were ancillary to priority are collected in the note.[67]

(b) Right to Make the Counts

It is axiomatic that the claims define the invention that an applicant believes is patentable. Although claims of one or more parties may be identical to a count of an interference, the count is not a claim to an invention; it is merely the vehicle for contesting the priority of invention and determining what evidence is relevant to the issue of priority. When the PTO considers patentability in an interference proceeding it rules on the patentability of a claim, not a count.[68]

The copier of claims from a patent, although senior party, nevertheless has the burden of proving, by clear and convincing evidence, that the disclosure on which he or she relies supports the copied claims that became the interference counts. He or she must

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[65]*Price v. Symsek*, 988 F.2d 1187, 26 USPQ2d 1031 (Fed. Cir. 1993).

[66]*Perkins v. Kwon*, 886 F.2d 325, 12 USPQ2d 1308 (Fed. Cir. 1989).

[67]*DeGeorge v. Bernier*, 768 F.2d 1318, 226 USPQ 758 (Fed. Cir. 1985); *Case v. CPC Int'l*, 730 F.2d 745, 221 USPQ 196 (Fed. Cir. 1984) (joinder of inventors not ancillary); *Correge v. Murphy*, 705 F.2d 1326, 217 USPQ 753 (Fed. Cir. 1983) (patentability not ancillary). In one case the PTO Board found that neither party to the interference was the true inventor, but felt that it could not award against both parties. It therefore awarded priority to the senior party and simultaneously recommended to the Commissioner that claims corresponding to the counts be rejected in both applications under 35 U.S.C. §102(f). The Federal Circuit affirmed but indicated that a more appropriate procedure would have been for the Board to suspend the interference so that its recommendation under §102(f) could be acted upon. *Morgan v. Hirsch*, 728 F.2d 1449, 221 USPQ 193 (Fed. Cir. 1984). See also *Coleman v. Dines*, 754 F.2d 353, 224 USPQ 857 (Fed. Cir. 1985) (prior invention not ancillary); *Case v. CPC Int'l*, 730 F.2d 745, 221 USPQ 196 (Fed. Cir. 1984) (breadth attack under §112 not ancillary); *Magdo v. Kooi*, 699 F.2d 1325, 216 USPQ 1033 (Fed. Cir. 1983) (adequacy under §112 and operability not ancillary; the court has not yet decided whether a challenge to best mode can be made in an interference); *Cross v. Iizuka*, 753 F.2d 1040, 224 USPQ 739 (Fed. Cir. 1985) (utility and enablement ancillary in §119 situations); *Woods v. Tsuchiya*, 754 F.2d 1571, 225 USPQ 11 (Fed. Cir. 1985) (some discovery questions not ancillary).

[68]*In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

show support in the specification for every material limitation of the proposed count. The patent disclosure cannot be drawn upon to fill any gaps in the copier's disclosure. This burden requires, as a first step, that the copier go forward and present a prima facie case of support. This prima facie case must itself be established by clear and convincing evidence. If such prima facie case is not made, the patentee will prevail without more. The burden of going forward will shift to the patentee only after the copier has prima facie shown the right to make. It is immaterial whether the copier has the senior or junior filing date. If the patentee produces evidence or argument in rebuttal to the prima facie case of the copier, the PTO must view the entirety of the evidence and determine whether the copier has met his or her burden of persuasion, clearly and convincingly, that he or she has the requisite support under 35 U.S.C. §112. This ultimate burden never shifts.[69]

This is quite different from the situation where a party attacks the validity of a patent under §112. There it is the attacker's burden to show lack of support by clear and convincing evidence.[70] Nonetheless, the written description requirement is the same for a claim copied for purposes of interference as for a claim presented during ex parte prosecution of a patent application.[71]

Of course, where an interference has been declared on so-called phantom counts, the burden is on the party seeking to dissolve the interference to show that the omitted elements are material.[72] Insertion of a limitation to overcome a prior art rejection is strong, if not conclusive, evidence of materiality.[73]

In considering whether a copier has the right to make a claim, the issue is not whether one skilled in the art would have been able to make the invention using knowledge of the art, but whether the copier's disclosure is sufficiently clear that persons of skill in the art will recognize that he or she made the invention having those limitations. The disclosure must convey to those skilled in the art the information that the copier actually invented the specific subject matter of the counts.[74] When an applicant selects language that is

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[69]*Martin v. Mayer*, 823 F.2d 500, 3 USPQ2d 1333 (Fed. Cir. 1987). See also *DeGeorge v. Bernier*, 768 F.2d 1318, 226 USPQ 758 (Fed. Cir. 1985); *Woods v. Tsuchiya*, 754 F.2d 1571, 225 USPQ 11 (Fed. Cir. 1985); *Burson v. Carmichael*, 731 F.2d 849, 221 USPQ 664 (Fed. Cir. 1984). This burden is not beyond a reasonable doubt. *DeGeorge v. Bernier*, 768 F.2d 1318, 226 USPQ 758 (Fed. Cir. 1985). An award to a senior party is reversible error where it cannot show that its application supports the meaning of a term in the count. *Burson v. Carmichael*, 731 F.2d 849, 221 USPQ 664 (Fed. Cir. 1984).

[70]*Ralston Purina Co. v. Far-Mar-Co, Inc.*, 772 F.2d 1570, 227 USPQ 177 (Fed. Cir. 1985).

[71]*In re Spina*, 975 F.2d 854, 24 USPQ2d 1142 (Fed. Cir. 1992).

[72]*Case v. CPC Int'l*, 730 F.2d 745, 221 USPQ 196 (Fed. Cir. 1984). A party need not copy claims precisely in order for an interference to be declared. Phantom counts may be appropriate in an interference between applications, or even between an application and a patent. A party's specification need not support a phantom count fully if the missing elements are not material. Section 112 deals with support for what a party claims, not what its interference opponent claims and it does not. *Id.*

[73]*Parks v. Fine*, 773 F.2d 1577, 227 USPQ 432 (Fed. Cir. 1985).

[74]*Martin v. Mayer*, 823 F.2d 500, 3 USPQ2d 1333 (Fed. Cir. 1987).

somewhat broad in scope, he or she takes the risk that others with specifically different structures may be able to meet the language selected.[75]

The question of whether a missing claim element is inherent is somewhat different in the context of 35 U.S.C. §135(b), which permits an interference on a claim for the same or substantially the same subject matter as a claim of an issued patent. There the question is not whether the missing limitation is inherently disclosed, but whether it is necessarily present in the invention as claimed. The materiality burden differs as well: it is the burden of the applicant to show that a missing limitation is immaterial, rather than the burden of the patentee to show that it is material.[76]

A function or property that is inherent in a claimed product can be expressly described in an amendment and is not new matter. By the same token, a CIP application that claims an inherent property and adds a description of the property is entitled to the filing date of the parent under 35 U.S.C. §120. The standard of inherency in interference practice, that an element is inherently disclosed if the necessary and only reasonable construction to be given the disclosure by one skilled in the art is one that lends clear support to the element, is consistent with this.[77]

There is no inconsistency in awarding a generic count to one inventor, while awarding a patentably distinct species count to another. A specification may, within the meaning of §112, contain a written description of a broadly claimed invention without describing all species that the claim encompasses.[78]

(c) Conception and Reduction to Practice

In determining priority of invention, consideration of the gist or essence of the invention may be appropriate.[79] 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 thereafter applied in practice.[80] Actual reduction to practice requires that the claimed invention work for its intended purpose, and, as has long been the law, constructive reduction to practice occurs when a pat-

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[75]*Davis v. Loesch*, 998 F.2d 963, 27 USPQ2d 1440 (Fed. Cir. 1993).

[76]*Parks v. Fine*, 773 F.2d 1577, 227 USPQ 432 (Fed. Cir. 1985).

[77]*Kennecott Corp. v. Kyocera Int'l, Inc.*, 835 F.2d 1419, 5 USPQ2d 1194 (Fed. Cir. 1987). Thus, where a CIP added a written description and photomicrographs of a structure of a compound that was described and claimed in the parent, and also added claim terms relating to the structure, and where the structure was admitted to be inherent in the compound, the CIP satisfied the description requirement of §112, and the new claims were entitled to the parent filing date. *Id.*

[78]*Utter v. Hiraga*, 845 F.2d 993, 6 USPQ2d 1709 (Fed. Cir. 1988).

[79]*Perkin-Elmer Corp. v. Westinghouse Elec. Corp.*, 822 F.2d 1529, 3 USPQ2d 1321 (Fed. Cir. 1987).

[80]E.g., *Filmtec Corp. v. Hydranautics*, 982 F.2d 1546, 25 USPQ2d 1283 (Fed. Cir. 1992). Since commercial success is not required for a reduction to practice, it certainly is not required for a conception. *Id.*

ent application on the claimed invention is filed.[81] In some instances, an inventor is unable to establish a conception until he or she has reduced the invention to practice through a successful experiment. This situation results in a simultaneous conception and reduction to practice.[82]

It is conceivable that an inventor could prove prior conception by clear and convincing evidence despite the fact that no one piece of evidence in and of itself establishes the prior conception. It is sufficient if the picture painted by all of the evidence taken collectively gives the fact finder an abiding conviction that the assertion of prior conception is highly probable.[83]

Conception of a chemical compound requires (1) the idea of the structure of the compound and (2) possession of an operative method of making it.[84] The difficulty that would arise in holding that a conception occurs when one has only the idea of a compound, defining it by its hoped-for function, is that would-be inventors would file patent applications before they had made their inventions and before they could describe them. That is not consistent with the statute or the policy behind the statute, which is to promote disclosure of inventions, not of research plans. While one does not need to have carried out one's invention before filing a patent application, one does need to be able to describe that invention with particularity.[85] When, as is often the case, a method of making a compound with conventional techniques is a matter of routine knowledge among those skilled in the art, a compound has been deemed to have been conceived when it is described, and the question of whether the con-

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[81] *Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 231 USPQ 81 (Fed. Cir. 1986).

[82] *Amgen, Inc. v. Chugai Pharmaceutical Co.*, 927 F.2d 1200, 18 USPQ2d 1016 (Fed. Cir. 1991). In this case the court wrestled with the idea of conception of a gene. A gene is a chemical compound, albeit a complex one, and it is well established that conception of a chemical compound requires that the inventor be able to define it so as to distinguish it from other materials, and to describe how to obtain it. Conception does not occur unless one has a mental picture of the structure of the chemical, or is able to define it by its method of preparation, its physical or chemical properties, or whatever characteristics sufficiently distinguish it. It is not sufficient to define it solely by its principal biological property, because an alleged conception having no more specificity than that is simply a wish to know the identity of any material with that biological property. Thus, when an inventor is unable to envision the detailed constitution of a gene so as to distinguish it from other materials, as well as a method for obtaining it, conception has not been achieved until reduction to practice has occurred, i.e., until the gene has been isolated. In *Fiers v. Revel*, 984 F.2d 1164, 25 USPQ2d 1601 (Fed. Cir. 1993), the court undertook to clarify the *Amgen* holding. Thus, conception of a DNA, like conception of any chemical substance, requires a definition of that substance other than by its functional utility. In general, a DNA coding for a protein cannot be conceived until one knows the nucleotide sequence of the DNA. To the extent that conception may occur when one is able to define a chemical by its method of preparation, that would be valid only where the DNA is actually claimed in terms of its method of preparation. Before reduction to practice, conception only of a process for making a substance, with a conception of a structural or equivalent definition of that substance, can at most constitute a conception of the substance claimed as a process. Conception of a substance claimed per se without reference to a process requires conception of its structure, name, formula, or definitive chemical or physical properties.

[83] *Price v. Symsek*, 988 F.2d 1187, 26 USPQ2d 1031 (Fed. Cir. 1993).

[84] *Oka v. Youssefyeh*, 849 F.2d 581, 7 USPQ2d 1169 (Fed. Cir. 1988).

[85] *Fiers v. Revel*, 984 F.2d 1164, 25 USPQ2d 1601 (Fed. Cir. 1993).

ceiver was in possession of a method of making it is simply not raised.[86] Conception of a species within a genus may constitute conception of the genus.[87]

An inventor's testimony respecting the facts surrounding a claim of derivation or priority of invention cannot, standing alone, rise to the level of clear and convincing proof. Throughout the history of the determination of patent rights, oral testimony by an alleged inventor asserting priority over a patentee's rights is regarded with skepticism, and as a result, such testimony must be supported by some type of corroborating evidence. Without some type of corroborating evidence, an alleged inventor's testimony cannot satisfy the clear and convincing standard.[88]

Thus, proof of conception requires a showing that each feature of the count was known to the inventor and communicated to the corroborating witness in sufficient fullness to enable one of skill in the art to make the invention. A rule of reason approach applies to conception, but some independent corroboration is necessary.[89] An evaluation of all pertinent evidence must be made so that a sound determination of the credibility of the inventor's story may be reached. Relevant factors include: (1) delay between the event and the trial; (2) interest of corroborating witnesses; (3) contradiction or impeachment; (4) corroboration; (5) the corroborating witnesses' familiarity with details of alleged prior work; (6) improbability of prior use considering the state of the art; (7) impact of the invention on the industry; and (8) relationship between witness and alleged prior user.[90]

The filing of a patent application is a constructive reduction to practice.[91] Actual reduction to practice usually requires at least a testing of the invention. The invention must have been sufficiently tested to demonstrate that it will work for its intended purposes.[92] Proof of an actual reduction to practice requires a showing that the embodiment relied upon as evidence of priority actually worked for its intended purpose. This is so even if the intended purpose is not explicitly set forth in the counts of the interference. On the other

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[86]*Oka v. Youssefyeh*, 849 F.2d 581, 7 USPQ2d 1169 (Fed. Cir. 1988).

[87]*Oka v. Youssefyeh*, 849 F.2d 581, 7 USPQ2d 1169 (Fed. Cir. 1988).

[88]*Price v. Symsek*, 988 F.2d 1187, 26 USPQ2d 1031 (Fed. Cir. 1993). The court disavows any per se rule that what a drawing discloses invariably must be supported by corroborating evidence. This is unlike a situation where an inventor is proffering oral testimony attempting to remember specifically what was conceived and when it was conceived, a situation where, over time, honest witnesses can convince themselves that they conceived the invention of a valuable patent. Thus, only an inventor's testimony requires corroboration before it can be considered. *Id.*

[89]*Coleman v. Dines*, 754 F.2d 353, 224 USPQ 857 (Fed. Cir. 1985). The mere fact that the inventor coauthored a paper will not provide evidence of conception of a sole invention without more. *Id.* That some notebooks were not witnessed until a few months or a year after their writing does not make them incredible or necessarily of little corroborative value. *Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 231 USPQ 81 (Fed. Cir. 1986).

[90]*Price v. Symsek*, 988 F.2d 1187, 26 USPQ2d 1031 (Fed. Cir. 1993).

[91]*Hazeltine Corp. v. United States*, 820 F.2d 1190, 2 USPQ2d 1744 (Fed. Cir. 1987).

[92]*Holmwood v. Sugavanam*, 948 F.2d 1236, 20 USPQ2d 1712 (Fed. Cir. 1991); *Great Northern Corp. v. Davis Core & Pad Co.*, 782 F.2d 159, 228 USPQ 356 (Fed. Cir. 1986); *King Instr. Corp. v. Otari Corp.*, 767 F.2d 853, 226 USPQ 402 (Fed. Cir. 1985); *Kimberly-Clark Corp. v. Johnson & Johnson*, 745 F.2d 1437, 223 USPQ 603 (Fed. Cir. 1984).

hand, tests performed outside the intended environment can be sufficient to show reduction to practice if the testing conditions are sufficiently similar to those of the intended environment.[93] In the context of a patent rights clause in a government contract, reduction to practice occurs when it is established that the invention will perform its intended function beyond a possibility of failure, so that whatever minor adjustments are thereafter required may be considered mere perfecting modifications. An invention that has been so reduced to practice is immediately ready to be adapted for practical use.[94] But there is no requirement that the invention be tested in a commercially satisfactory stage of development.[95] Indeed, some devices are so simple and their purpose and efficacy so obvious that their complete construction is sufficient to demonstrate workability.[96]

To establish reduction to practice of a chemical composition, it is sufficient to prove that the inventor actually prepared the composition and knew it would work.[97] On the other hand, if the usefulness of a compound for its intended purpose is not inherently apparent, it must be tested to demonstrate that it will perform with sufficient success.[98] But if the claim is to a process for making a compound, reduction to practice does not require that the compound itself be tested for utility.[99]

The physical embodiment relied upon as an actual reduction to practice must include every essential limitation of the count.[100] Proof of actual reduction to practice requires demonstration that the em-

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[93]*DSL Dynamic Sciences Ltd. v. Union Switch & Signal, Inc.*, 928 F.2d 1122, 18 USPQ2d 1152 (Fed. Cir. 1991). Here the work involved testing and use of a coupler mount assembly with a caboose. In order to prove an actual reduction to practice, the party needed to show either that use of a coupler mount with a caboose is an intended purpose of the invention or that the tests performed on a caboose coupler sufficiently simulated the conditions present on a freight car coupler.

[94]*Hazeltine Corp. v. United States*, 820 F.2d 1190, 2 USPQ2d 1744 (Fed. Cir. 1987). A contractor with such an invention therefore would reasonably seek a contract with the government for the production of a working prototype, or at the very least would file a patent application. Negotiation of a two-phase contract, the first phase of which was a research and development obligation viewed as a "study and design" phase, and performance of that first phase are inconsistent with the argument that a reduction to practice had occurred prior to the execution of the contract. *Id.*

[95]*King Instr. Corp. v. Otari Corp.*, 767 F.2d 853, 226 USPQ 402 (Fed. Cir. 1985); *Barmag Barmer Masch. AG v. Murata Mach., Ltd.*, 731 F.2d 831, 221 USPQ 561 (Fed. Cir. 1984). Thus, although events occurring after an alleged actual reduction to practice can cast doubt on whether reduction to practice has in fact taken place, a failure of several commercial devices made long after the asserted reduction does not necessarily mean that the device was inadequately tested. *DSL Dynamic Sciences Ltd. v. Union Switch & Signal, Inc.*, 928 F.2d 1122, 18 USPQ2d 1152 (Fed. Cir. 1991).

[96]*King Instr. Corp. v. Otari Corp.*, 767 F.2d 853, 226 USPQ 402 (Fed. Cir. 1985). However, the mere existence of assembly drawings does not by itself establish a reduction to practice. *Id.*

[97]*Hahn v. Wong*, 892 F.2d 1028, 13 USPQ2d 1313 (Fed. Cir. 1989).

[98]*Kimberly-Clark Corp. v. Johnson & Johnson*, 745 F.2d 1437, 223 USPQ 603 (Fed. Cir. 1984).

[99]*Shurie v. Richmond*, 699 F.2d 1156, 216 USPQ 1042 (Fed. Cir. 1983).

[100]*Correge v. Murphy*, 705 F.2d 1326, 217 USPQ 753 (Fed. Cir. 1983). Where the count called for an airplane having a passenger cabin, a luggage compartment, and intervening floor with openings and ventilation devices, it is not enough to test merely the ventilation device; the test must be performed in an airplane mockup. *Id.* See also *UMC Elec. Co. v. United States*, 816 F.2d 647, 2 USPQ2d 1465 (Fed. Cir. 1987).

bodiment relied upon as evidence of priority actually worked for its intended purpose. Every limitation of the interference count must exist in the embodiment and be shown to have performed as intended.[101] There are no degrees of reduction to practice; either one has or has not occurred.[102]

Corroboration is also required for reduction to practice. The purpose of the rule requiring corroboration is to prevent fraud. Thus the inventor must provide independent corroborating evidence in addition to his or her own statements and documents. Such evidence may consist of testimony of a witness, other than an inventor, to the actual reduction to practice, or it may consist of evidence of surrounding facts and circumstances independent of information received from the inventor. Statements by a witness that he had read and understood a notebook entry as of a certain date do not corroborate a reduction to practice; they establish only that those pages existed as of that date. This may be part of a cohesive web of corroborating evidence that could establish reduction to practice, but it is insufficient standing alone.[103] In one case the inventor testified that he had practiced the claimed method as of a certain date and offered a page from his notebook which confirmed it. His proofs were held sufficiently corroborated by (1) testimony of a coworker that the inventor had obtained the supplies necessary to practice the method; (2) testimony of another coworker that he had seen a product produced by the method; and (3) general evidence that the company had an organized research program designed to create a record sufficient to corroborate inventions.[104] Only an inventor's testimony need be corroborated, not the testimony of a corroborating witness.[105]

To establish a date of invention, a party may not rely upon knowledge, use, or activity that took place in a foreign country, except as provided by 35 U.S.C. §104.[106]

The activity relied upon for priority must have occurred in the United States. Thus, where the claim is to a process for making a compound, testing in the United States of the utility of the compound is insufficient if the compound is made by practicing the process in a foreign country.[107] Where testimony merely places acts within

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[101]*Newkirk v. Lulejian*, 825 F.2d 1581, 3 USPQ2d 1793 (Fed. Cir. 1987). Thus, where the count called for a means for performing a step, the party had to show that the embodiment included the means and that he actually performed the step. *Id.*

[102]*UMC Elec. Co. v. United States*, 816 F.2d 647, 2 USPQ2d 1465 (Fed. Cir. 1987). It can only cause confusion in interference law, with its special technical considerations, and in operation of the on-sale bar, which is guided by entirely different policies, to adopt modifiers in connection with "reduction to practice," whatever the context. *Id.*

[103]*Hahn v. Wong*, 892 F.2d 1028, 13 USPQ2d 1313 (Fed. Cir. 1989). As with the conception element of priority, corroboration is required to support testimony regarding communcation and reasonable diligence in reduction to practice. *Price v. Symsek*, 988 F.2d 1187, 26 USPQ2d 1031 (Fed. Cir. 1993).

[104]*Lacotte v. Thomas*, 758 F.2d 611, 225 USPQ 633 (Fed. Cir. 1985).

[105]*Holmwood v. Sugavanam*, 948 F.2d 1236, 20 USPQ2d 1712 (Fed. Cir. 1991).

[106]*Holmwood v. Sugavanam*, 948 F.2d 1236, 20 USPQ2d 1712 (Fed. Cir. 1991).

[107]*Shurie v. Richmond*, 699 F.2d 1156, 216 USPQ 1042 (Fed. Cir. 1983).

a stated time period, the inventor has not established a date for his or her activities earlier than the last day of the period.[108]

An abandoned application cannot, if no subsequent application was copending with it, be considered a constructive reduction to practice; it is inoperative for any purpose save possibly as evidence of conception.[109]

Reduction to practice and conception are legal determinations subject to review free from the clearly erroneous standard. But findings of fact supporting those legal conclusions are, of course, reviewed for clear error.[110]

(d) Diligence, Abandonment, and Suppression

The law does not inquire as to the fits and starts by which an invention is made, and a mere lapse of time will not prevent the inventor from receiving a patent. The sole exception to this principle resides in 35 U.S.C. §102(g) and the exigencies of the priority contest. Under §102(g), a distinction must be drawn between deliberate suppression or concealment of an invention, which is probably not curable by resumption of work, and a legal inference of suppression or concealment based on "too long" a delay. The first probably results in an absolute forfeiture, while the second can be cured.[111] Abandonment can also be fatal to a party in interference.[112]

Generally, the party who establishes that it is the first to conceive and the first to reduce an invention to practice is entitled to a patent. However, the second party to conceive and reduce to practice the same invention will be awarded priority of invention if it can show that the first party to reduce to practice abandoned, suppressed, or concealed the invention.[113] Where there is an unreasonable delay between the actual reduction to practice and the filing of a patent application, there is a basis for inferring abandonment, suppression, or concealment. However, the inventor's activities during the delay period may excuse the delay. For example, he or she may have worked during that period to improve or perfect the in-

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[108]*Oka v. Youssefyeh*, 849 F.2d 581, 7 USPQ2d 1169 (Fed. Cir. 1988). Thus, a Board finding that an invention was made during the last week of October fails to establish that the invention was made prior to October 31. Since the senior party's filing date was October 31, this results in a tie which the senior party wins. *Id.*

[109]*In re Costello*, 717 F.2d 1346, 219 USPQ 389 (Fed. Cir. 1983).

[110]*Holmwood v. Sugavanam*, 948 F.2d 1236, 20 USPQ2d 1712 (Fed. Cir. 1991); *DSL Dynamic Sciences Ltd. v. Union Switch & Signal, Inc.*, 928 F.2d 1122, 18 USPQ2d 1152 (Fed. Cir. 1991); *Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 231 USPQ 81 (Fed. Cir. 1986).

[111]*Paulik v. Rizkalla*, 760 F.2d 1270, 226 USPQ 224 (Fed. Cir. 1985). Although spurring into resumption of work by the entry of the other into the field is not necessary to a finding of suppression or concealment, it is an important equitable factor. *Id.*

[112]*Correge v. Murphy*, 705 F.2d 1326, 217 USPQ 753 (Fed. Cir. 1983). There was no presumption of intent to abandon where an actual reduction to practice was followed in seven months by a public disclosure which was in turn followed in eight months by filing of an application. Diligence was not in issue.

[113]*Lutzker v. Plet*, 843 F.2d 1364, 6 USPQ2d 1370 (Fed. Cir. 1988).

vention disclosed in the patent application. The law does not punish an inventor for attempting to perfect his or her process before he or she gives it to the public. Thus, an inference of suppression or concealment may be overcome with evidence that the reason for the delay was to perfect the invention. But where the delay is caused by working on refinements and improvements that are not reflected in the final patent application, or that go to commercialization of the invention, the delay will not be excused.[114]

Where a party has an actual reduction to practice followed by a long period of inactivity, it may not be able to use the earlier reduction for priority, but it can use it to show conception and attempt to show diligence from just before the other's entry into the field until its own application filing date.[115] Even where there is an inference of suppression or concealment, the applicant can show that it renewed activity on the invention and proceeded diligently until filing the application, beginning prior to the other party's entry into the field.[116]

The junior party in an interference is required to establish reduction to practice before the senior party's filing date, or conception before that date coupled with reasonable diligence from just before that date to the junior party's own filing date.[117] One who is first to conceive but last to reduce to practice has the burden of establishing a prima facie case of reasonable diligence from a time immediately before the other's filing date until his or her own reduction to practice. The reasonable diligence standard balances the interest in rewarding and encouraging invention with the public's interest in the earliest possible disclosure of innovation.[118]

Diligence is subject to the rule of reason as determined in the particular circumstances of each case. Reasonable diligence can be shown if it is established that the attorney worked reasonably hard on the particular application in question during the critical period. It may not be possible for a patent attorney to begin working on an application at the moment the inventor makes the disclosure, because the attorney may already have a backlog of other cases demanding his or her attention. Generally, the patent attorney must

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[114]*Lutzker v. Plet*, 843 F.2d 1364, 6 USPQ2d 1370 (Fed. Cir. 1988). The court approved a Board conclusion that a 51-month delay between actual reduction to practice and first public disclosure gave rise to an inference of an intent to abandon, suppress, or conceal the invention. The applicant's efforts to justify the delay were rejected as being primarily directed to commercialization (preparing production molds, a recipe book, and blister packaging). Moreover, there was evidence of a deliberate policy not to disclose to the public until the invention was ready for commercial production.

[115]*Paulik v. Rizkalla*, 796 F.2d 456, 230 USPQ 434 (Fed. Cir. 1986).

[116]*Lutzker v. Plet*, 843 F.2d 1364, 6 USPQ2d 1370 (Fed. Cir. 1988). Here the suppressing party showed a commercially viable version of the invention, which had been actually reduced to practice 51 months earlier, on the same day that the other party filed its patent application. This "same-day" renewal of activity was not "prior" to the other's entry into the field and thus could not overcome the inference of suppression.

[117]*Oka v. Youssefyeh*, 849 F.2d 581, 7 USPQ2d 1169 (Fed. Cir. 1988).

[118]*Griffith v. Kanamaru*, 816 F.2d 624, 2 USPQ2d 1361 (Fed. Cir. 1987).

show that unrelated cases are taken up in chronological order, and thus he or she has the burden of keeping good records of the dates when cases are docketed as well as the dates when specific work is done on the applications.[119] Setting aside a project to work on others, as a matter of choice, militates against reasonable diligence.[120] In determining the reasonableness of delay, the courts may consider the everyday problems and limitations encountered by an inventor, but delays caused by an inventor's efforts to refine an invention to the most marketable and profitable form are not acceptable as excuses.[121]

(e) Miscellaneous Interference Issues

Evidence. There is no rigorous rule excluding expert testimony in an interference. Independent expert testimony may be used for the purpose of establishing facts such as the meaning of various terms to those skilled in the art.[122] It is standard practice for an applicant in an interference to obscure dates on documents and simply aver that the documents antedate the filing date of the adverse patent.[123]

Interpretation of counts. Interference counts should be given their broadest possible interpretation, and resort to the specification is necessary only where there are ambiguities inherent in the claim language or obvious from arguments of counsel.[124] The mere fact that the parties argue among themselves as to the meaning of the counts does not create ambiguity where none exists.[125] If there is

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[119]*Bey v. Kollonitsch*, 806 F.2d 1024, 231 USPQ 967 (Fed. Cir. 1986). In this case it was held that an inventor should not be penalized because his attorney reasonably prepared closely related applications together, thereby expediting the filing of the applications and the prompt disclosure to the public of the closely related inventions contained therein. Work on a related case is to be credited toward reasonable diligence if the work on the related case contributes substantially to the ultimate preparation of the involved application. The sheer number of related cases alone is not determinative as to whether they are sufficiently related. It is error to hold that the cases must be so related that they "had" to be worked on as a group. Here the attorney worked on 22 related applications over the critical period of 41 days, fully justifying a holding of attorney diligence.

[120]*Griffith v. Kanamaru*, 816 F.2d 624, 2 USPQ2d 1361 (Fed. Cir. 1987).

[121]*Griffith v. Kanamaru*, 816 F.2d 624, 2 USPQ2d 1361 (Fed. Cir. 1987). A college professor advanced some rather novel excuses for delay, all of which were rejected by the court. For one thing, he said he was waiting for the matriculation of a graduate student, to whom he had promised the work, and who needed the project for her degree. But there was no showing that she was the only person capable of doing the work, or even that she was uniquely qualified. Thus, the convenience of the timing of a semester schedule did not justify a three-month delay in beginning work toward reduction to practice. Similarly, the college had a policy of requiring outside funding for research, and the professor waited for commercial interest. Although this policy may have beneficial aspects, the patent laws should not be skewed or slanted to enable the college to have its cake and eat it too—to act in a noncommercial manner and yet preserve the pecuniary rewards of commercial exploitation for itself. *Id.*

[122]*Martin v. Mayer*, 823 F.2d 500, 3 USPQ2d 1333 (Fed. Cir. 1987).

[123]*Baker Oil Tools, Inc. v. Geo Vann, Inc.*, 828 F.2d 1588, 4 USPQ2d 1210 (Fed. Cir. 1987).

[124]*Davis v. Loesch*, 998 F.2d 963, 27 USPQ2d 1440 (Fed. Cir. 1993); *DeGeorge v. Bernier*, 768 F.2d 1318, 226 USPQ 758 (Fed. Cir. 1985); *Woods v. Tsuchiya*, 754 F.2d 1571, 225 USPQ 11 (Fed. Cir. 1985).

[125]*Woods v. Tsuchiya*, 754 F.2d 1571, 225 USPQ 11 (Fed. Cir. 1985).

such ambiguity, resort must be had to the specification of the patent from which the copied count came.[126] Limitations not clearly included in a count should not be read into it.[127]

In interpreting claims for purposes of the written description requirement (i.e., support), it is improper to limit means clauses to only the precise structures shown in the applications from which and to which a claim is copied. Equivalents of those structures are also pertinent. A claim is not interpreted one way in light of the specification in which it originally was granted, and another way in light of the specification into which it is copied as a proposed interference count.[128]

Review. Parties to an interference dissatisfied with the PTO Board decision have a choice of appealing to the Federal Circuit under 35 U.S.C. §141 or commencing a civil action in an appropriate district court under §146. In a direct appeal, the appellee is the PTO, while in a §146 action the other party to the interference is usually the defendant.[129] District court review of an interference proceeding under §146 is an equitable remedy of long standing. As such, the district court may, in appropriate circumstances, exercise its discretion and admit testimony on issues even though they were not raised before the Board.[130]

Priority is a question of law that is to be determined based upon underlying factual determinations.[131] Facts found by the PTO Board in interferences are viewed under the clearly erroneous standard.[132]

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[126]*DeGeorge v. Bernier*, 768 F.2d 1318, 226 USPQ 758 (Fed. Cir. 1985). Where interpretation is required of a claim that is copied for interference purposes, the copied claim is viewed in the context of the patent from which it was copied. *In re Spina*, 975 F.2d 854, 24 USPQ2d 1142 (Fed. Cir. 1992).

[127]*Newkirk v. Lulejian*, 825 F.2d 1581, 3 USPQ2d 1793 (Fed. Cir. 1987).

[128]*In re Spina*, 975 F.2d 854, 24 USPQ2d 1142 (Fed. Cir. 1992).

[129]*In re Van Geuns*, 946 F.2d 845, 20 USPQ2d 1291 (Fed. Cir. 1991). This case provides a good historical account of interference practice particularly in the context of review; it also gives some of the legislative history of the 1984 amendments that streamlined interference procedures.

[130]*General Instr. Corp. v. Scientific-Atlanta, Inc.*, 995 F.2d 209 (Fed. Cir. 1993). In this case the court examined its prior decision in *Case v. CPC Int'l*, 730 F.2d 745, 221 USPQ 196 (Fed. Cir. 1984), and found that it had left open three large questions: (1) whether under some circumstances a district court may properly restrict the admission of testimony on an issue raised before the Board; (2) how one demonstrates that an issue has been raised before the Board in a manner sufficient to qualify it for testimonial admission in a §146 proceeding; and (3) whether a district court may admit testimony in a §146 proceeding on an issue concededly not raised in any fashion before the Board. As indicated in the text, the court here answers *Case* question (3) in the affirmative. As for question (2) the court decides that more is required than passing reference to the subject matter during the course of the interference proceeding. For the most part, parties should raise issues in the manner clearly specified in the PTO's interference regulations, i.e., by preliminary motions, motions to correct inventorship, belated motions delayed for good cause, or opposition to such motions. Short of such compliance, issues may only be deemed raised for §146 purposes if the record clearly demonstrates that the issue was undeniably placed before the examiner-in-chief, and one or more parties insisted that the issue be resolved in the process of deciding which of the parties was entitled to priority. Inasmuch as the court found that the issue was not properly raised, it was able to pass question (1).

[131]*Price v. Symsek*, 988 F.2d 1187, 26 USPQ2d 1031 (Fed. Cir. 1993).

[132]*Holmwood v. Sugavanam*, 948 F.2d 1236, 20 USPQ2d 1712 (Fed. Cir. 1991); *Coleman v. Dines*, 754 F.2d 353, 224 USPQ 857 (Fed. Cir. 1985).

The issues of count construction,[133] conception,[134] and reduction to practice[135] are questions of law that the court reviews de novo.

Where a party thinks it can prevail solely on the basis of its filing date and therefore does not introduce evidence of priority despite opportunity to do so, remand is not appropriate. There is no support in law for repeated bites at the apple.[136] The determination whether a party seeking to initiate an interference has shown good cause for its failure to present additional evidence at the time of its initial submission is a matter within the discretion of the Board. An abuse of that discretion may be found when the Board's decision is clearly unreasonable, based on an erroneous conclusion of law or a clearly erroneous finding, or the record is devoid of any evidence upon which the Board rationally could have based its decision.[137] The Federal Circuit lacks jurisdiction of an appeal from an order of the PTO Board refusing to dissolve an interference, because dissolution is not ancillary to priority; inasmuch as the Board lacks jurisdiction, so does the court.[138]

Failure to appeal a decision on the right to make certain counts does not amount to an admission that a party has a right to make an appealed count. An unappealed adjudication of priority as to some counts does not give those counts a new status, as prior art or as evidence, with respect to support for other counts.[139] A party whose right to make the count is not decided adversely to it cannot argue on appeal that the interference should not have been declared because it was not able to make the counts.[140]

Estoppel. There are four types of interference estoppel: (1) Estoppel by dissolution prevents a junior party who had access to the senior party's application from obtaining claims to common patentable subject matter after an interference is dissolved. (2) Estoppel by judgment prevents a losing party in a previous interference between the same parties from making any claim (a) not patentably distinct from the counts in issue in that interference or (b) that reads on the disclosure of the winning party to which the losing party had access. (3) Equitable estoppel prevents the winning party in a previous interference terminated by judgment (or the senior party in an interference that ends in dissolution) from claiming patentably

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[133]*Davis v. Loesch*, 998 F.2d 963, 27 USPQ2d 1440 (Fed. Cir. 1993); *DeGeorge v. Bernier*, 768 F.2d 1318, 226 USPQ 758 (Fed. Cir. 1985).

[134]*Filmtec Corp. v. Hydranautics*, 982 F.2d 1546, 25 USPQ2d 1283 (Fed. Cir. 1992).

[135]*Holmwood v. Sugavanam*, 948 F.2d 1236, 20 USPQ2d 1712 (Fed. Cir. 1991); *DSL Dynamic Sciences Ltd. v. Union Switch & Signal, Inc.*, 928 F.2d 1122, 18 USPQ2d 1152 (Fed. Cir. 1991).

[136]*Burson v. Carmichael*, 731 F.2d 849, 221 USPQ 664 (Fed. Cir. 1984). Remand might be appropriate if the party introduces the evidence but the Board fails to consider it. *Id.*

[137]*Huston v. Ladner*, 973 F.2d 1564, 23 USPQ2d 1910 (Fed. Cir. 1992).

[138]*Parks v. Fine*, 783 F.2d 1036, 228 USPQ 677 (Fed. Cir. 1986).

[139]*Martin v. Mayer*, 823 F.2d 500, 3 USPQ2d 1333 (Fed. Cir. 1987).

[140]*Newkirk v. Lulejian*, 825 F.2d 1581, 3 USPQ2d 1793 (Fed. Cir. 1987).

distinct subject matter to which the other party did not have access. (4) Estoppel for failure to file a motion to amend prevents a party who fails to file a timely interlocutory motion to amend from later claiming subject matter that could have been added by such a motion.[141] But the lost count of an interference is not prior art against a different invention, for "prior art" in the sense of 35 U.S.C. §102(g) cannot be the basis of a §102(a) rejection, the invention not being publicly known or used. Thus a losing party to an interference is entitled to claim subject matter other than that of the interference count, provided the requirements of patentability are met, and subject to those constraints that flow from the adverse decision in the interference.[142]

The losing party in an interference declared on a phantom count corresponding to interfering species claims of the parties is estopped in postinterference ex parte proceedings from obtaining a generic claim that would dominate the species claims of the winning party corresponding to the phantom count.[143] Where priority is awarded to a junior party by reason of the senior party's failure to comply with a discovery order, and where the ordered discovery was pertinent to the priority issue, the dismissal of the interference was held to have established facts sufficient to justify an estoppel by judgment against the senior party in a second interference between the two.[144]

The PTO rules permit a party to contest the designation of particular claims as corresponding to a count. If a party does not timely contest that designation, there is in effect a concession that all of the designated claims would be anticipated or made obvious if the

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[141]*Woods v. Tsuchiya*, 754 F.2d 1571, 225 USPQ 11 (Fed. Cir. 1985).

[142]*In re Zletz*, 893 F.2d 319, 13 USPQ2d 1320 (Fed. Cir. 1989). The court examined the possible tension between *In re Frilette*, 436 F.2d 496, 168 USPQ 368 (CCPA 1971), which held that a losing party to an interference, on showing that the invention now claimed is not "substantially the same" as that of the lost interference count, may employ the procedures of Rule 131 in order to antedate the filing date of the interfering application; and *In re Taub*, 348 F.2d 556, 146 USPQ 384 (CCPA 1965), which held that priority as to a genus may be shown by prior invention of a single species. In *In re Deckler*, 977 F.2d 1449, 24 USPQ2d 1448 (Fed. Cir. 1992), the court partially addressed the *"Hilmer"* cases which appear to hold that the foreign filing date of a winning party in interference is nonetheless not the effective date of its U.S. patent as a reference under §102(g) or §103. Here the losing party was held to be barred, by collateral estoppel, from obtaining claims that were admittedly patentably indistinguishable from the lost interference count. The count is not prior art, but it is a judgment for res judicata purposes. Interference estoppel bars the assertion of claims for inventions that are patentably indistinct from those in an interference that the applicant had lost. The interference judgment conclusively determined that the winner was entitled to claim the patentable subject matter defined in the count. Thus, the judgment may be used as a basis for rejection of claims to the same patentable invention. If it were not given that preclusive effect, there could be a second interference.

[143]*In re Kroekel*, 803 F.2d 705, 231 USPQ 640 (Fed. Cir. 1986). Since the losing party might have raised the issue of the winning party's right to make the broad claims but failed to do so, it is now estopped from arguing that the winning party abandoned, suppressed, or concealed the subject matter of the generic claim, and that it is therefore entitled to a patent including such a claim. Of course, if the generic claim were somehow patentably distinct from the lost count, it could not be denied to the losing party on the sole ground of interference estoppel. Also, if the losing party had attempted to broaden the count, albeit unsuccessfully, he would not later be estopped from attempting to claim the broader subject matter.

[144]*Woods v. Tsuchiya*, 754 F.2d 1571, 225 USPQ 11 (Fed. Cir. 1985).

count were actually prior art. This does not mean, however, that the party has conceded that claims corresponding to a count are anticipated or made obvious by the prior art when the subject matter of the count itself is determined to be unpatentable for obviousness. A party to an interference proceeding should be permitted to argue separately the patentability of claims designated as corresponding substantially to a count, just as a party would be permitted to do in an ex parte prosecution and appeal.[145] In an interference, a claim is patentably distinct from the interference count if the apparatus claimed by the count does not render what is being claimed by the claim at issue obvious.[146]

A disclaimer in one interference, with different counts, does not effect a disclaimer in another.[147] Cancelling narrow claims copied from another's application creates no estoppel.[148]

A party seeking to precipitate an interference filed a Rule 205 amendment and a Rule 204(c) statement averring reduction to practice of the invention of the counts prior to a particular date, and an interference was declared. The party later abandoned the interference. A defendant in an infringement suit argued that the party thereby admitted reduction to practice (and thus public use) of a device that meets the claims that ultimately issued in the party's patent. The Federal Circuit held that the statement and amendment were more than a pleading but not an adjudication—they were sworn statements of fact. As such, they could of course be considered as evidence in determining whether the uses were experimental or not (reduction to practice tends to refute assertions of experimentation). But they should not be given estoppel effect with respect to whether a completed invention existed at that time.[149] In another case a party obtained bifurcation of a count on the theory that the bromo and iodo forms of a compound were patentably distinct from the chloro form. It was held that the party could not thereafter urge a contrary theory by arguing that his earlier application, which described halogen in general with chloro as a specific example, provides an adequate written description of the bromo and iodo forms of the invention so as to obtain priority based upon his earlier application.[150]

Settlement. Pursuant to 35 U.S.C. §135(c), any agreement or understanding made in connection with or in contemplation of the ter-

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[145]*In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). Of course, if a party chooses not to argue the claims separately, they would stand or fall together. *Id.*

[146]*Davis v. Loesch*, 998 F.2d 963, 27 USPQ2d 1440 (Fed. Cir. 1993).

[147]*Magdo v. Kooi*, 699 F.2d 1325, 216 USPQ 1033 (Fed. Cir. 1983).

[148]*Case v. CPC Int'l*, 730 F.2d 745, 221 USPQ 196 (Fed. Cir. 1984).

[149]*Baker Oil Tools, Inc. v. Geo Vann, Inc.*, 828 F.2d 1588, 4 USPQ2d 1210 (Fed. Cir. 1987). The result might well have been different had there been an inter partes, litigated adjudication by the PTO on the subject.

[150]*Bigham v. Godtfredsen*, 857 F.2d 1415, 8 USPQ2d 1266 (Fed. Cir. 1988).

mination of an interference must be filed with the PTO. This is to prevent anticompetitive settlements.[151]

§15.3 Reissue

(a) General

A patent attorney is often faced with choices during a patent prosecution. If an attorney or patentee makes a mistake, the PTO permits the patentee to institute reissue or reexamination proceedings in certain instances.[152] Reissue is essentially a reprosecution of all claims. Thus original claims that a patentee wants to maintain unchanged may nonetheless be rejected on any statutory ground.[153] Reissue is an extraordinary procedure and not a substitute for PTO appeal procedures.[154] The statute provides that:

> Whenever any patent is, through error without any deceptive intention, deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent, the Commissioner shall, on the surrender of such patent and the payment of the fee required by law, reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent. No new matter shall be introduced into the application. . . .
> No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent.[155]

In enacting the reissue statute, Congress provided a statutory basis for correction of error. The statute is remedial in nature, based on fundamental principles of equity and fairness, and should be construed liberally. Nonetheless, not every event or circumstance that might be labelled error is correctable by reissue.[156] The whole purpose of reissue, as far as claims are concerned, is to permit limita-

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[151]*CTS Corp. v. Piher Int'l Corp.*, 727 F.2d 1550, 221 USPQ 11 (Fed. Cir. 1984). Here the parties were engaged in related patent litigation that was settled by agreement, but the settlement was not filed with the PTO. Under the circumstances, the court held the settlement to be insufficiently connected with the termination of the interference and refused to permit a reopening of the settlement to declare the patent unenforceable under §135(c).

[152]*Litton Sys., Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 221 USPQ 97 (Fed. Cir. 1984).

[153]*Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 882 F.2d 1556, 11 USPQ2d 1750 (Fed. Cir. 1989).

[154]*Ball Corp. v. United States*, 729 F.2d 1429, 221 USPQ 289 (Fed. Cir. 1984).

[155]35 U.S.C. §251.

[156]*In re Weiler*, 790 F.2d 1576, 229 USPQ 673 (Fed. Cir. 1986). The purpose of the reissue statute is to remedy errors, and all of the provisions of a unified statute must be read in harmony. Thus an error in actual compliance with the reissue statute does not insulate that error from the remedial reach and intent of provisions like §26. *In re Bennett*, 766 F.2d 524, 226 USPQ 413 (Fed. Cir. 1985). The reissue statute is remedial in nature, based on principles of equity and fairness, and should be liberally construed. In any given case, the statute should be so applied to the facts that justice will be done both to the patentee and the public. *In re Harita*, 847 F.2d 801, 6 USPQ2d 1930 (Fed. Cir. 1988). Reissue error is generally liberally construed. *Mentor Corp. v. Coloplast, Inc.*, 998 F.2d 992, 27 USPQ2d 1521 (Fed. Cir. 1993).

REMAKING THE U.S. PATENT SYSTEM AFTER THE GATT: PATENT INTERFERENCES ARE DEAD; LONG LIVE POST-GRANT OPPOSITION PRACTICE

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Introduction

GATT will remarkably transform the U.S. patent system. The very foundations of U.S. patent law and practice will be fundamentally reshaped. The United States will implement a requirement under the GATT that patents be available and patent rights enjoyable without regard to the place where the invention is made. The GATT target is §104 of Title 35 and its broadly-based bar against foreign invention date proofs.

Every aspect of patent law and practice will change. Foreign-based inventors will have a new facility to file applications for patent in situations where the "absolute novelty" bar will prevent patent applications from being filed anywhere else in the world. Where foreign-based inventors once were denied patents on account of "prior" art, the use of foreign invention date proofs under 37 C.F.R. §1.131 will overcome such art and allow patents to issue.

The area of patent law and practice most directly impacted by the introduction of foreign invention date proofs will be patent interference practice, i.e., in determinations of "priority of invention" under proceedings authorized by 35 U.S.C. §135 and §291. Under now ancient procedures, oft amended and reformed, the Patent and Trademark Office used the interference system to award patents to the inventor with the earliest proven U.S. invention date. That practice will soon stop.

By categorically excluding foreign proofs of invention, patent interference contests have been greatly simplified—at least compared to what might have been without the exclusion. With this era about to end, what are the implications for U.S. interference practice and for the U.S. patent

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system generally? Can we continue business as usual, but with witnesses speaking Japanese and documents submitted in German and Italian? Should we continue business as usual, given that domestic invention date proofs will no longer dominate these proceedings?

What follows is a brief discussion of the essential modifications to U.S. patent law and practice that TRIPs mandates. It continues with a modest proposal to recast the entire institution of patent interference. The intent is to provide a measure of damage control in the interregnum between the globalized first inventor system and the first-to-file system now certain to come.

Institutional Changes That Will Impact Directly on Patent Interference Practice

The Coming Foreign Domination of U.S. Interferences

Interferences have historically been dominated by U.S. invention date proofs, even though about one-half of all inventors in interferences were foreign inventors who presumably made their inventions in whole or in part outside the United States. The PTO's triennial statistical report on patent interferences, as reported through fiscal year 1988, indicated that 530 interferences had been concluded over a three-year period. Of those reaching a definitive conclusion awarding priority, 242 interferences involved only U.S. parties; 230 involved at least one foreign party.

The fact that foreign inventors comprise almost 50% of all users of the U.S. patent system suggests that approximately 75% of all interferences should involve at least one foreign party (assuming a complete randomness and proportionate representation). The 50:50, instead of 75:25, ratio implies that foreign inventors have historically been drastically under-represented in U.S. interference practice.

In retrospect, such under representation is hardly surprising. Foreign inventors can be barred from seeking a patent after an initial disclosure of the invention; U.S.-based inventors were not subject to such an "absolute novelty" bar. Further, those foreign inventors who did file patent applications before the absolute novelty was lost, but who would ultimately be junior parties in interference subsequently declared, could not use the provisions of 37 C.F.R. §1.131 to establish the patentability of claims over a senior-filed application or patent. Hence, the unavailability of foreign invention date proofs prevented establishment of the patentability of interfering claims, a necessary requisite for entry into an interference contest.

With the opening of 37 C.F.R. §1.131 to foreign invention date proofs, these impediments to foreign inventors will disappear. While the number of interferences involving only U.S.-based inventors should not increase (i.e., remain at 250 triennially), the number of interferences involving foreign inventors may *triple*! Given that foreign inventors use their new capability to enter into interference contests, approximately 750 interferences involving one or more foreign parties can be anticipated triennially, yielding the statistically likely 75:25 ratio.

Tripling the number of interferences involving foreign inventors will work to double the overall number of interferences before the Patent and Trademark Office. Thus, one very likely immediate consequence of the change to §104 should be a wild growth in the *inter partes* contests, with the most profound growth being in decisions made on the basis of *foreign invention date proofs*.

The above estimates derived artificially from statistical considerations may well *understate* the eventual foreign domination of interference proceedings. This understatement is possible on several counts. First, foreign inventors may have superior invention date proofs to supply to the U.S. Patent and Trademark Office. The disciplined and methodical Japanese and German inventors, the largest foreign inventing entities who use the U.S. patent system, may well have more exhaustive and complete invention proofs than long-complacent U.S. inventors.

Second, the demographics of the foreign inventors who use the Patent and Trademark Office suggest the typical foreign inventor may have more resources to contest an interference than a U.S. counterpart would. A very substantial percentage of the U.S. inventors using the U.S. patent system are "small entities." Approximately one-third of all U.S. filings are undertaken by universities, small businesses, and independent inventors. However, statistically the *majority* of U.S. inventors who file patent applications are small entities, while a *majority* of foreign inventors using the U.S. patent system are large entities. Thus, the typical foreign inventor in an interference will be the large entity who may be financially well able (and often very willing) to contest the interference. In general, the typical domestic adversary, a "small entity" of one sort or another, may have much less financial stomach for these contests.

Foreign invention date proofs may further erode the already meager representation of small entities in interference contests. While small entities today comprise 20% of the inventors involved in interferences (versus the 30-35% of inventors filing applications), the dramatic growth that can be statistically projected for foreign (substantially large-entity) inventors involved in interferences may reduce "small entity" involvement in interferences to less than 10%—a three-fold under-representation.

In summary, without some drastic changes in U.S. law and practice, interferences can be expected to mushroom: more interferences declared; more interferences with proofs of invention presented; more complexity (sorting out when and how to allow foreign proofs); more time needed to resolve these contests; and a vanishingly small overall representation of "small entities."

The Implications of the 20-Year Patent Term

Handling foreign invention date proofs and the enhanced interference workload that will result therefrom is not the only stress of GATT TRIPs on the U.S. patent system. Unlike the remainder of the industrialized world, the U.S. patent term has been fundamentally determined by the issue date of the patent. Thus, under current law, a 10 or 15 year struggle to gain a patent may not be a

sacrifice, at least in terms of the ultimate duration of exclusivity for the patent applicant; the current 17-year term is merely tacked on at the time of grant.

The requirement of GATT for a patent term of a minimum of 20 years from the filing date of the patent application will inevitably push the United States to a patent term *fixed* from filing date, not issue date. The only alternative is to dramatically expand the period of exclusivity, e.g., by allowing a maximum term of 20 years from filing *or* 17 years from grant. This does not appear to be a viable long-term option for the United States. The inevitable result of this GATT provision is for the U.S. to adopt a European-style 20-year term.

At least until the United States adopts an 18-month publication scheme and its accompanying "provisional rights" in published (pending) patent applications, the United States is likely to provide for minimal extensions of term for applications put in interference. Even with the proposed five-year extension tacked on the 20-year term, many inventors will see markedly decreased periods of exclusivity. With the complexity of even declaring an interference, many inventors will "lose" five years of uncompensated patent term just waiting for the formalities of declaration of the interference to be completed. The existence of interference subject matter must be appreciated by the patent examiner, both (or all) interfering applications must be prosecuted to allowance, and the formalities of the actual declaration of the interference (i.e., count formulation and initial correspondence between counts and allowed/issued claims) all must be worked out.

As noted above, the 20-year patent term will be limiting potential patent rights at the same time that foreign inventors will be making historically unprecedented use of the U.S. interference system. Even though many of these foreign inventors will not be successful in establishing priority and winning U.S. patents (and, indeed, may not have winning the interference as an ultimate objective), they will succeed in delaying the issuance of U.S. patents to U.S. inventors. A five- to ten-year delay in issuing a patent will in many cases be longer than the technological lifespan of the technology in interference. The result: a patent with *no* commercially meaningful term.

Even with perfect procedures in patent interferences for speeding the resolution of priority, a decade seems to be the norm for determining the first inventor and issuing the patent when priority is contested. Much of the problem with existing interference practice lies not only in the pre-declaration phase (noted above), but in post-interference phase of resumed *ex parte* prosecution. Although the new interference rules have greatly simplified post-interference prosecution, many applicants need at least some post-interference prosecution, often to take fully into account issues (especially patentability issues) that arise under the "new rules" for interferences.

As the increased number of patent interferences force administrative delays in the pre-declaration and post-declaration stages of the practice, the 20-year patent term will work to increase the heat and stress in the system.

The Need To Address The Existing Imperfections in the Patenting Process Outside the Interference Context

One can argue that the changes to §104 and the new measure of the patent term by themselves form the complete context in which to decide what reforms or changes are needed to interference practice. However, even if all the problems with the new, globalized patent interference system were resolved, interferences involve less than one percent of patent applicants. Energies devoted to improving the quality, promptness and effectiveness of the patent examining system obviously should be focused in the first instance on the 99% of inventors who will be totally unaffected by any change in the interference system. By any measure, the problems for users of the patent system outside the interference context are more serious, more widespread, and ought to have a greater priority for resolution.

The Process of *Ex Parte* Patent Examination is Not Perfect

Patent examiners make mistakes and issue patents that should not be issued; it is no secret that the patent examination process in the Patent and Trademark Office is not perfect. Even if the Office can somehow take the 99% of patent applications that are not involved in patent interferences and assure that the *ex parte* examination of these applications is 99% perfect, over 1,000 patents per year will issue with one or more claims that is invalid. Issuing patents that should not issue is not without costs. Even if someone could precisely target these 1,000 patents and challenge their validity in the courts, the cost of litigation could well be over $1 billion per year—1,000 patents at a minimalist figure of $1 million per patent challenged.

For the Patent and Trademark Office to have the resources to be "perfect," no issued patent containing a less than fully vested claim, would require vast increases in the budget of the Office. The sad fact is that inventors are unwilling to pay for a "perfect" examination in which all the art is uncovered by the patent examiner, all the proper rejections are made and sustained, and only completely valid patents result. What inventors seem to be satisfied with is an $800 examination.

Is the public currently getting from the Patent and Trademark Office the 99% of perfection? At least on a non-scientific, anecdotal level, most serious users of the patent system would put the patent examining process at less than the 99% of perfection. Public hearings conducted by the Patent and Trademark Office over the course of the past year have resulted in a number of witnesses coming forth with allegations of patents issuing after incomplete and inadequate examination for patentability. Key patents capable of dominating entire industries have been targets of a questioning public—the Commissioner was even moved to a *sua sponte* reexamination of one such patent.

At the recent hearings on the appropriateness of the non-obviousness standard, witnesses focused not on the *legal standard*, but the competence and quality of the administration of the existing standard within the Patent and Trademark Office. All of this concern over the accuracy of the patent examining process is not new. It was part of the reasoning behind the enactment of the reexamination statute in the 1980's. Thus, deciding *inter partes* priority issues effectively should proceed in the context of much needed procedures for improving the *ex parte* examination process.

Administrative Means of Augmenting the Examining Process Have All Proven Problematic

The Patent and Trademark Office has fiddled for several decades with measures designed to improve the "quality" of the examining process. Some measures have focused on the inventor, most specifically the "information disclosure" rules now designed to assure that examiners get everything available to the patent applicant at the time substantive examination begins.

The Office has also tinkered with *inter partes* measures, both for pending applications and for issued patents. The most notorious was a procedure that permitted inventors to resubmit patents for further examination under so-called "no-defect" reissue rules adopted in January, 1977. Popularly known as the "Dann Amendments" (37 C.F.R. §1.175(a)(4)), the procedure had an opposition-like character in that third parties were entitled to make submissions to the Office during the reissue examination; under 37 C.F.R. §291.

In 1981 the Patent and Trademark Office proposed eliminating access of reissue applications and eliminating the "no-defect" style of reissue with the advent of reexamination procedures, 35 U.S.C. §301, et seq. Part of the justification, in administrative understatement was to

> . . . permit some of the Patent and Trademark Office resources now devoted to consideration of the so-called 'no-defect' reissue applications and to *extensive participation by protestors during application examination* to be directed toward reduction of the backlog of pending patent applications.

46 Fed. Reg. 55666 (November 10, 1981).

Allowing unfettered "protest" simply did not work. The Patent and Trademark Office was not equipped with personnel, procedural rules, or financial resources to allow an *inter partes* reconsideration of any significant number of U.S. patents. Indeed, the costs in an unfettered protest, to both the patentee and the protestor, were typically massive: papers would fly into the Office in substantial numbers; delays in resolving patentability questions were commonplace.

In terms of effectiveness, these procedures turned out to be, respectively, too much and too little. The Dann Amendments resulted in prolonged reconsideration of patentability by the Office, and

poorly controlled third-party interventions. As an *inter partes* procedure, it was appreciated no more than patent interferences.

The reexamination statute, effectively the replacement for the "no-defect" reissue, became a mixed success. Its perceived tilt in favor of patentees has limited its use. For example, it is rarely utilized by third parties in seeking the redress improvidently granted patents. Nonetheless, for patentees seeking sanitized patents or more certainly valid claims, it is a procedure difficult to match.

Currently, amendments to the reexamination statute are pending. Under a bilateral agreement with Japan, the Patent and Trademark Office has agreed to enhance the level of third-party participation. However, the cost of participation in a reexamination for someone adverse to a patent is likely to be the intervenor's acceptance of a stringent rule on issue preclusion in the event of later litigation. Without the ability to obtain the normal discovery that would be available in a judicial forum, the issue preclusion feature of reexamination may continue to chill the public's enthusiasm for it.

In short, the Patent and Trademark Office has yet to push the magic buttons needed to create an *inter partes* proceeding that is truly effective: not too costly, decently prompt, devoid of needless complexity, and reasonably predictable in its outcome.

A Recipe for Making the Post-GATT U.S. Patent System Function for Inventors

Much can be done to make the current procedures in patent interferences better match the new stresses and complexities resulting from offers of foreign invention date proofs and the relentlessly ticking clock of the 20-year patent term. Some of these changes are systematic: changes to the entire patent system. Others are targeted to the idiosyncratic interference law and practice that has developed over the past century.

18-Month Publication Anyone?

The United States and Japan announced an agreement on publication of pending U.S. patent applications in August of this year. This agreement, if implemented, will mean that all U.S. patent applications filed after January 1, 1996 will be published at 18 months from the earliest priority date. If this can, in fact, be accomplished, it will represent a significant improvement in the U.S. patent system. Indeed, it is arguably a *necessary* improvement if the United States is to make a success of its post-GATT globalized interference system.

The necessity for 18-month publication derives in part from the failure so far of the "new rules" for patent interferences to effectively speed the resolution of rival inventorship questions. In 1984, the Patent and Trademark Office completed work on the so-called "new rules" for patent

interferences. The two-year effort to entirely recast and redraft all the procedural rules for patent interferences was intended to assist the Patent and Trademark Office in meeting its 18-month pendency goal. It specified new procedures for interferences designed to assure that they could be concluded within two years from declaration.

While the success of the new rules in meeting this two-year objective can be debated, one thing that the new rules did not accomplish was a reduction in the time required to get interfering patent applications in a position for the actual declaration of an interference. This is more than a minor flaw in the conception of the new rules. The pre-declaration processing of interfering patent applications can consume a period of time easily in excess of the commercial lifespan of many electronics inventions—and easily in excess of the two-year goal that the Office set for the conduct of the interference once declared.

Publication at 18 months is a reform targeted at the time-consuming pre-declaration phase of priority determinations. Fundamentally, the publication of pending applications for patent is certain to put both the specification and the pending claims in these applications fully in the public domain—in exactly the same sense that issued U.S. patents are placed in the public domain upon issuance. Published patent applications will become the primary search tools for examiners, supplanting the issued patent specifications in the examiners' search collections. This reliance on the published application will extend to the Office's on-line computer databases—both the full text and full images of these applications will be searchable inside and outside the Office.

This electronic availability of pending patent applications means that inventors as well as patent examiners will be searching these applications in exactly the same way the issued patents are now searched. Because of this newly created openness, the existence of potentially interfering inventions will be readily ascertained through these pending applications. Unlike the current situation, where the identification of interferences mostly depends on the diligence of the patent examiner, inventors and their attorneys with access to published patent applications will be able to assist in this process.

Of course, more than just inventors will be searching for interfering patent applications. The 18-month publication system will further improve the ability of patent examiners to identify the potential for interferences and accelerate their declaration. Unlike the current system of restricting the Office's paper search files and full-text and image databases to issued patents, the application publication system will mean that examiners will *always* and *inherently* search for interfering applications.

Because the existence of potentially interfering applications will be readily known to both patent examiners and patent applicants, the Patent and Trademark Office will have the ability to accelerate the declaration of interferences. Potentially interfering applications can be "made special" and special examining procedures can be devised to assure that interferences are, in fact, actually declared as soon as possible.

The impact of the publication system is especially important with respect to the foreign inventors who will come to dominate the U.S. patent system. Currently, interferences that involve foreign inventors are complicated to identify. Foreign inventors enter the U.S. patent system effectively one year later than a corresponding U.S. inventor would. This means that foreign applications are initially examined and ultimately issue later relative to the underlying invention date than a U.S. inventor would issue.

The 18-month publication system changes all this. For foreign inventors entering the U.S. patent system, their patent applications will typically be published at about *six months* from the initial filing in the United States, not 18 months. Their existence will essentially become immediately known; U.S. inventors will not be forced to wait (and wait) to see what latent foreign invention dates might be asserted against them.

The other compelling consideration in the publication of pending applications is, of course, the ability to afford applicants who are later granted patents "provisional rights." Where an interference delays the issuance of a patent, "provisional rights" prevents a similar delay in the commencement of enforceable rights. Under the provisional rights scheme an inventor has the right to recover a reasonable royalty for the use of the invention prior to the grant. With such a provisional right, of course, comes an enhanced right to grant licenses under the published application.

Because the provisional rights do replace patent rights, they cannot give rise to an injunction against an accused infringer, they maintain the incentive to actually issue the patent. Similarly, by limiting the basis for provisional rights to claims in a patent that are substantially identical to claims in the published application. This further maintains the patentee's incentive to get the patent issued, thereby avoiding uncertainties over the precise extent to which an infringement claim can be successfully asserted.

Prior User Rights, Everyone

"Prior user rights" are viewed by some as a feature relevant to a "first-to-file" system—and not philosophically or otherwise relevant to a "first-to-invent" system. Such a limited conception of these rights has some statistical validity, given that the United States is the only major industrialized country that lacks both the first-to-file priority rule and a system of prior user rights.

On a more substantive plain, prior user rights are a mildly "protectionist" adjunct to a patent system in the sense that they are designed to protect entities that have domestically commercialized trade secret processes that later—sometimes *much* later—have been domestically patented. Rather than force the closing of a manufacturing facility, the operator of the facility is given a right based on the prior commercial use to continue that use.

This is, of course, substantially what a prior commercial user supposedly could do under pre-GATT U.S. patent law, but under a quite different legal theory. A prior invention in the United States, not abandoned, suppressed or concealed, would defeat the validity of a patent that was *invented later*. In the case of foreign inventors, who had no access to invention date proofs, the prior invention would defeat the validity of a patent that was *filed later*.

The ability of a prior commercial user to assume that a later-filed foreign patent would be invalid, if litigated, meant that the prior user did not have to go to the bother of filing an application for patent, provoking an interference, and establishing administratively that the patent was invalid. Moreover, in many circumstances, such a course of action was unavailable. For example, where the prior commercial user was subject to an "in public use or on sale" bar, no patent application could be filed and no interference provoked. However, this would work no prejudice given the ability to defend against an infringement charge based on a U.S. invention date preceding the foreign priority date.

Because foreign patent filings encompass approximately one-half of the entire U.S. patent system, the ability of a domestic manufacturer to avoid infringement of essentially all later-filed foreign patents was of great importance; from a purely "protectionist" standpoint this was just about as effective for U.S. manufacturers as prior user rights are for foreign manufacturers under their home-country patent systems.

The eradication of the §104 limitation on foreign invention date proofs will upset this domestic apple cart. Domestic manufacturers looking at many later-filed foreign patents will henceforth need to assume that such patents are valid and must be respected—based on the foreign inventors' right to rely on early, foreign-origin proofs of invention. The U.S. manufacturer would need to recalibrate the equation of patenting versus trade secret protection, eroding the competitiveness of U.S. manufacturers as competitively important trade secrets are published in patent applications solely for the sake of defeating a potential foreign patentee.

Foreign manufacturers obviously do not have this defect in their home country patent systems. They neither have the first-to-invent system's obligation to provoke interferences, nor obligation to file a patent application and sacrifice valuable trade secret protection in order to avoid the late establishment of adverse patent rights.

The resolution of this about-to-be-created dilemma for U.S. manufacturers is obvious. Just as a first-to-file system protects commercial manufacturers from infringement based on later-filed patents, the "globalized" first-to-invent system should do likewise. Not only is a prior user rights system needed to restore the approximate pre-GATT §104 *status quo*, it is particularly needed to provide U.S. inventors an option to engaging foreign inventors in interference contests where only "right to use," not "right to exclude" is the commercial objective. Obviously, to the extent that this option can be used, the number of interferences may not grow as explosively as might otherwise happen.

No bilateral U.S.-Japan deal on prior user rights exists. Indeed, the quasi-protectionist character of these rights assures that the Japanese will not be pressing us to adopt them. Nonetheless, pending legislation in both the House and the Senate providing such a system has been the subject of hearings in both bodies and has attracted widespread support and surprisingly little credible opposition. In contrast to prior discussions on the subject, the university community is not actively opposing the concept of prior user rights, greatly enhancing the likelihood that either this or the next Congress will enact legislation.

Given that the United States moves ahead with an effective system of prior user rights, U.S. inventors will, of course, benefit. The U.S. inventor will not need to run the full interference gambit and overcome a set of foreign invention date proofs in order to continue operating a U.S. manufacturing facility whose future might otherwise be at the mercy of a foreign patentee. As a prior user acting in good faith to develop a business, it would be shielded from infringement—a shield that would be put in place solely be proving the requisite activity before the foreign priority date, not the foreign invention date.

Changes to the Interference System: Reforming the Monster

Given a potential doubling of the number of interferences and a dominance of the proceeding by foreign invention date proofs, what should the response of the U.S. Patent and Trademark Office be? One response might be to double or triple—perhaps even quadruple—the effort placed on interferences. However, feeding a monster sometimes just works to increase its size, without favorably affecting its disposition.

The prime motivation for the U.S. Patent and Trademark Office should be *reform* of the interference proceeding. More to the point, it should be *fundamental reform*. A new substantive law and procedural paradigm is needed if the beast is to be cut down to size and made a servant of the interests of U.S. inventors.

What Should It Mean To Interfere?

When two inventors duplicate one another's work, every patent system is founded on the notion that only one patent should issue on the singular technological achievement. When the overlap between two inventors' creations is complete, i.e., both inventors invented exactly the same subject matter, no more and no less, the meaning of "interference" is trivially straightforward. In a large percentage of interferences, no such triviality exists in determining what interferes. Among the major patent systems of the world, entirely different concepts are used to define interfering subject matter. Of all the systems in the world the most complex *definition* of what interferes is, unsurprisingly, found in the United States. It comes under the rubric of "interference-in-fact."

The "Same Patentable Invention" Standard for Interference-In-Fact

Under the "new" interference rules, the issue of "interference-in-fact" was reduced to the issue of "same patentable invention," that is, Invention "A" is the "same patentable invention" as Invention "B" when Invention "A" is the same as (35 U.S.C.§102) or is obvious (35 U.S.C. 103) in view of Invention "B" assuming Invention "B" is prior art with respect to Invention "A." The notion of "separate patentable invention" is similarly expressed: Invention "A" is a "separate patentable invention" with respect to Invention "B" when Invention "A" is new (35 U.S.C. 102) and non-obvious (35 U.S.C. 103) in view of Invention "B" assuming Invention "B" is prior art with respect to Invention "A." In other words, if Invention B is a separate patentable invention from Invention A, then no "interference-in-fact" exists and the inventions are separately patentable. Were the two inventions the "same patentable invention" an interference-in-fact would exist such that only one patent could issue.

The complexity of defining interfering subject matter in the United States stands in bold (and some would say absurd) contrast to the manner in which proofs of prior invention are made. The entire concept of current interference practice is that a large acreage of patentable subject matter can be lumped together as a single patentable invention, and then based on proofs directed to only a single embodiment there within, an all-or-nothing award of priority can be made.

But, how can one actually know whether two particular embodiments are the "same" or "separate" in the sense of the "patentable invention" concept in the interference rules? How precisely can the delineation process be undertaken in the context of the patent interference proceeding? What is the cost to the involved parties and the patent system as a whole of making this determination? Even more fundamentally, is it a fair apportionment of patentable subject matter in the most common of situations, i.e., where the inventions overlap only in part?

Non-Obviousness Is An Imprecise, Time-Dependent Standard Ill-Suited for Defining Interfering Subject Matter

The heart of the "same patentable invention" determination is the application of the non-obviousness criterion of patentability. In examining the use of the non-obviousness criterion in its full glory, it represents an ill-devised square peg in which rival inventors are forced to insert in "patentable invention" round holes. The most clear-cut incongruity is the attempt to assess non-obviousness in the *preliminary* stage of the interference and then permanently *fix* that determination for all time. This, of course, neglects the time-dependency of the non-obviousness determination.

The time-dependency is most clear-cut in the assessment of "commercial success." The invention may have been developed only to the advanced prototyping stage by the time the interference is declared—proofs of commercial success may be one or two years away. Should the interference process be stopped to let Embodiment B enter the commercial market place and achieve or fail to achieve a patent differentiating success from a rival inventor's Embodiment A?

Likewise, the existence of surprising and unexpected differentiating properties as between Invention A and Invention B sometimes develops only over the course of years of careful studying and testing. For example, if the non-obviousness of Drug B lies in the surprising and unexpected reduction in side effects relative to Drug A, how can an interference count directed to both Drug A and Drug B be formulated until the results of statistically significant clinical trials are received? If the interference is declared too soon and the innovator of Drug B stops testing at the prospect of losing the interference, how does this promote the progress of science and the useful arts?

More particularly, what effort is involved in assessing the "sameness" or "separateness" of two different inventions? Given the "all-or-nothing" aspect of awarding priority for anything within the ambit of the "same patentable invention," this determination is often more important to the parties than the actual proofs of invention date. In many cases, this colossal effort is either wasted or just wrong. Drug B would have been shown to have fewer side effects and Drug B (but not Drug A) would have become a "commercial success," but the interference was decided on the basis of premature fact-gathering and Drug B never made it into the clinic.

The "Oversimplification" of Invention Date Proofs Makes for an Inequitable and Arbitrary Outcome

After making the definition of what interferes almost impossibly difficult, the actual determination of prior inventorship must be oversimplified. The simplification used in interference contests is to ignore who invented what and when, but instead focus exclusively on who was the very first with *anything*. The rule of priority in U.S. interference contests is that the winner of *everything* at stake in the interference contest is first to prove invention of *anything*. In other words, the U.S. imposes an "all or nothing" rule in the most arbitrary manner conceivable.

Egregious results are clearly possible with the "all-or-nothing" nature of the award of priority when the Patent and Trademark Office (rightly or wrongly) determines that Invention A and Invention B are the same patentable invention and, therefore, interfere. For example, when an interference count is broadly constructed, the first inventor of 99% of the subject matter of the count can lose everything, even where the first inventor of the remaining 1% has invented only commercially marginal (or even wholly unsuccessful) subject matter. It simply matters not at all if the 99% ends up being the commercially significant set of embodiments and the 1% is uncommercial—the "same patentable invention" and "winner-take-all" aspects of interference practice are applied to interference proofs as formalistic, mechanical rules, and nothing more.

Simplification of Interferences to "Novelty-Only" Contests

The remedy for this intersection of complexity ("same patentable invention" count formation) with absurdity ("winner takes all" with a proof of anything) is fairly straightforward, especially in light of the likely domination of interference practice by foreign invention date proofs. The Patent and Trademark Office should simply *stop* asking the "Invention A is the same as/separate

from Invention B" question altogether! Rather than make this imperfect to impossible assessment, the Office should focus interference questions exclusively on whether these two inventions are the "same subject matter."

This "same subject matter" test would reduce interference-in-fact questions to simple, objective, and factual *novelty* issues: If Invention A is the same subject matter as Invention B if Invention B anticipates Invention A, assuming Invention B is adequately disclosed (and otherwise patentable subject matter) in the rival inventor's application for patent.

The efficiency of the Japanese and Europeans in settling priority of invention issues is in no small measure attributable to their adherence to an identical "same subject matter" concept. Under the European or Japanese "senior right" principle, these "first-to-invent" systems simply assess whether the subject matter of one inventor's claim is anticipated in a prior-filed application of another. This "novelty-only" system works best in Japan because the Japanese standard of "anticipation" (according to knowledgeable commentators) has sufficient flexibility in its execution to prevent too much "sameness" as between the claims of the prior-filing and subsequent-filing inventors.

But, would the "novelty-only," "anticipation" or "same subject matter" test be applied with enough flexibility under U.S. patent law? The answer is almost certainly in the affirmative. The United States, like the Japanese, could simply rely on the anticipation standard applicable to *ex parte* examination. As noted by Judge Newman in *Continental Can Co. USA Inc. v. Monsanto Co.*, 20 U.S.P.Q.2d at 1746,

> . . . [M]odest flexibility in the rule that 'anticipation' requires that every element of the claims appear in a single reference accommodates situations where the common knowledge of technologists is not recorded in the reference; that is, where technological facts are known to those in the field of the invention . . . .

The Novelty-Only Standard Would Profoundly Simplify Patent Interferences

Assuming the United States has the wisdom to reformulate the basic notion of what it is that interferes, what effect would there be on interference practice? In a word, "earthshaking." Most of interference motion practice would disappear. All of the effort relating to count formation could be eliminated, or at least subsumed in the question of whether an inventor's claimed invention is anticipated in another inventor's application for patent.

Beside speeding the preliminaries, interferences uncontaminated by non-obviousness considerations would have radically simplified post-interference estoppel rules. Currently, the interference motion period is calculated to settle all actual or *potential* issues of count formation. In other words, every consideration of non-obviousness as between a putative Invention A and

Invention B must be raised in the motion period or an applicant may be estopped from raising these issues later. Without the "non-obviousness" issue, the need for a maze of potential post-interference estoppels can be made to disappear.

With such overpowering benefits from a simplified concept of "interference in fact," where's the beef? There appears to be only one. The oft-cited policy issue over limiting interference issues to a "novelty-only" or "same subject matter" definition for "interference-in-fact" determinations is that essentially redundant patents can issue. Under these redundant patents, a person wishing to practice an invention could be required to seek licenses from rival patentees who have made "patentably" indistinct contributions from one another.

This issue is complex to address in a theoretical context. One can construct Venn diagrams and pursue other analytical techniques in an attempt to predict the various conceivable outcomes, benign or otherwise. Where the inventions are mutually exclusive (no actual overlap), no issue of multiple infringed patents presumably arises; where the inventions are mutually inclusive (complete overlap), only a single patent can issue anyway (both inventors are claiming the same subject matter, no more no less; Invention A anticipates everything in Invention B and *vice versa*). In the intermediate situations, only one inventor may obtain meaningful generic claims; presumably cases may be conjured where a second inventor's species invention could co-exist with such a genus, e.g., under "selection invention" concepts.

Tossing aside theory, however, one is faced with the simple reality that *everyone else* in the world already has a "novelty-only" system and *nowhere* is it a practical problem. No foreign patent system has a plague of redundant patents. Thus, like most theoretically complex issues, experience can be a practical guide to the practicality of a solution.

Ending "Pre-Grant" Interferences

The United States recently concluded a bilateral negotiation with the Japanese in which the United States succeeded in gaining key concessions with respect to "pre-grant" opposition proceedings used in Japan to delay the actual grant of patents. In some cases these proceedings have caused most of the patent term to evaporate before the patent is granted, obviously greatly diminishing the incentives provided by the patent system.

Soon, the United States will have that same 20-year, filing date-based patent term. When that happens (as noted above), the pre-grant interference system will operate to the detriment of the incentives of the patent system in much the manner that the Japanese pre-grant practices frustrated many U.S. businesses. Even the prospect of a "patent term extension" for patents involved in pre-grant interferences is small solace for inventors of technology subject to competitive obsolescence.

The resolution of this dilemma is straightforward. What is good for U.S. inventors in Japan is perhaps good for U.S. inventors at home: the only good *inter partes* proceeding is a post-grant

inter partes contest. The only question is, perhaps, how would the U.S. structure a post-grant proceeding for determining priority of invention.

The United States would presumably have a host of options for instituting a post-grant priority contest. One obvious possibility is simply to move the interference contest from its pre-grant environment to a post-grant one. However, the ability to contest priority, at least under the new interference rules, is the ability to contest patentability as well. Post-grant, *inter partes* patentability contests are, of course, well known in the patent world. They are commonly known as *patent oppositions*.

Initiating Post-Grant Opposition Practice

A post-grant, *inter partes*, administrative procedure for opposing issued patents is needed in the United States. Reexamination practice (including the new procedures envisioned as a result of the U.S.-Japan bilateral agreement) is a procedure limited to "substantial new questions of patentability." It simply does not address situations where a patent examiner has misapprehended patentability on the record before the Patent and Trademark Office. As a policy matter, it makes increasingly less sense for patents to be attackable only on the basis of clear and convincing evidence, after being issued based solely on an *ex parte* administrative record. The blunt reality is that a skilled patent attorney may "outgun" a patent examiner 10 to 1 or even 100 to 1 in terms of marshalling evidence and arguments on the question of patentability.

For commercially important patents that may have been improvidently granted, one clear alternative to expensive and unpredictable litigation before a district court (jury) is a European-style opposition procedure. Properly constructed, such a post-grant proceeding, commenced within nine months from the grant of the patent, should afford both patentees and the public at large a vehicle to rapidly, completely, and correctly reassess patentability. *For a patent surviving the exposure to a true inter partes opposition, the presumption of validity and the standard of "clear and convincing evidence" to invalidate is unarguably well deserved.*

The desirability of proceeding with a post-grant opposition practice, coupled with the necessity for a post-grant proceeding for determining priority of inventorship leads to an intriguing possibility: a prompt, efficient European-style post-grant proceeding that considers both patentability and priority.

Folding Patent Interference Practice Into a New Post-Grant Opposition System

Interferences are not analogous to oppositions. Interferences require two or more patentees or patent applicants to oppose one another for the purpose of awarding priority to one and making a complimentary adverse award to the other. Oppositions, on the other hand, never pit two rivals together in the same proceeding in precisely this manner—an opposition merely decides if the

involved inventor is *not* entitled to a patent; it does determine, for example, that the opposer *is* entitled to a patent on the same subject matter.

The key to creating a single post-grant proceeding for any "opposition" to an issued patent requires that the single opposition proceeding have all the "mutuality" aspects of an interference contest: if the "opposer" succeeds in the opposition, the opposer simultaneously establishes a right to a patent; if the patentee "wins," the opposer simultaneously loses any right to a patent.

Fundamentally, under such an "opposition" approach to an interference, a rival inventor can "oppose" the patent on the grounds of unpatentability, specifically on the grounds of unpatentability over the opposer's own prior invention. Such an opposition would presumably be heard in the same manner as any other opposer seeks to be heard. Given that "prior invention" were a recognized ground for opposition, it would require careful circumscription.

As one example, the opposer asserting a "prior invention" ground for opposition would need to be a rival inventor with a patentable claim to the same subject matter. Under the reforms envisioned above, the precise basis of this opposition is narrowly focused to the "same patentable subject matter" issue: the opposer must have a patent or pending patent application in which the opposer has made an anticipatory disclosure of the subject matter of opposed patent claims, such disclosure representing subject matter patentable to the opposer in the patent or patent application (i.e., "prior patentable invention" is the specific grounds for opposition).

Having outlined the manner in which the rival inventor can oppose on prior invention grounds, how would such a procedure actually operate in practice? More importantly, what advantages would such a procedure have compared to existing interference practice?

This limitation does not, however, deal with the "mutuality" issue. Without mutuality, a single interference might require two oppositions to fully settle the priority issues. To avoid this possibility, a new statutory rule on unenforceability is needed. Specifically, an irrebuttable presumption needs to be created under which a junior-filing party's patent claim to the same subject matter (in the anticipation sense) as a senior-filing party's patent claim is unenforceable. Given this rule on unenforceability, implemented in the manner set forth below, the only vehicle for a junior-filing party to obtain an enforceable patent claim in the "interfering" subject matter is if the senior party's claim is rendered unpatentable. For example, the junior-filing party must succeed in pursuing "prior invention" as a grounds for unpatentability to the senior-filing party.

How would such an opposition procedure work? Compared to existing procedures, it should be the model of simplicity:

Step One: Issuing Interfering Patents

A post-grant interference system means what it says: interfering patents will be knowingly issued by the Patent and Trademark Office. This is, of course, a profound change in mentality

for the Patent and Trademark Office. No longer would examiners be forced to suspend prosecution at the time of allowance to wait for a rival application to be in position for the declaration of an interference. Moreover, the current difficulty of the Office in identifying interferences pre-grant, particularly for the purpose of assuring that the junior-filing party's application does not issue, would disappear.

The examination for patentability would in one sense be limited to issues that can be resolved in an *ex parte* context. The patent examiner would, accordingly, not examine a question of prior invention of the same subject matter—at least when the prior invention was evidenced by a disclosure in a patent or patent application of another inventor—for the purpose of making a *rejection* of the application. However, the patent examiner would be obliged to examine for "interferences," in the context of 35 U.S.C. §102(e). Where a senior-filed patent (or published application) contains a disclosure of an interfering invention, the examiner would be obliged to make an appropriate notation, as described below.

All the *ex parte* patentability requirements would remain in force. In particular, for any interfering or other patent references under §102(e), the examiner would require that they be antedated or otherwise distinguished.

Step Two: Tagging Interfering Patents

As noted above, the issuance of deliberately interfering patents might normally create a difficult situation for someone seeking to practice the invention: two valid and enforceable patents might, for example, double to royalty exposure of a would-be licensee. For this reason one and only one set of *enforceable* patent claims should exist at any one time. Consistent with the presumption currently in effect in patent interferences, the *enforceable* patent should be that of the "senior party," i.e., the senior-filing inventor.

However, in order for the public to be apprised of the patent among several directed to the same subject matter that is enforceable, some mechanism must be established that identifies the interference in fact and indicates any interfering claims that are to be unenforceable. How can such an identification be made? The simplest solution is for the patent examiner to "tag" the interfering claims of all but the most senior-filed patent as unenforceable. The "tag" would be a notice on the face of the patent indicating the enforceability status of any interfering claim, e.g.,

> **Patented Subject Matter in a Senior-Filed Patent.** Claim x of this patent is unenforceable so long as claims a, b, and c of U.S. patent #,###,### are not disclaimed or determined to be invalid or unenforceable pursuant to an opposition brought with respect to such claims. If no such disclaimer is made or no opposition is brought or is unsuccessful to the extent of removing or invalidating the interfering claims, the aforementioned claims in this patent shall be permanently unenforceable.

Prior Patent Disclosure in a Senior-Filed Patent . U.S. patent #,###,### contains a prior disclosure of the subject matter of claims w, y and z. In the event a patent is granted on an application related to this patent claiming the same subject matter as claim w, y or z, such claim herein shall be unenforceable from such date of issuance until such time, if any, as the patent claim to the same subject matter is disclaimed or determined to be invalid or unenforceable pursuant to an opposition brought with respect to such claims. If no such disclaimer is made or if no opposition is brought or is unsuccessful to the extent of removing or invalidating the interfering claims, the aforementioned claim shall be permanently unenforceable.

Prior Published Disclosure in a Senior-Filed Application. U.S. published patent application ##/###,### contains a prior disclosure of the subject matter of claims r, s and t. In the event a patent is granted on this application or an application related to this application claiming the same subject matter as claim r, s, or t, such claim herein shall be unenforceable from such date of issuance until such time, if any, as the patent claim to the same subject matter is disclaimed, or determined to be invalid or unenforceable pursuant to an opposition brought with respect to such claims. If no such disclaimer is made or if no opposition is brought or is unsuccessful to the extent of removing or invalidating the interfering claims, the aforementioned claim shall be permanently unenforceable.

In complex situations where the interfering patentees assert multiple priority dates, the identification of the "senior" and the "junior" parties can itself become complex. When priority dates "interleave" both patentees can be junior and both can be senior on a claim-by-claim basis. Sorting out "who is who" may be a difficult task, but certainly is not an unprecedented one. Under first-to-file systems, precisely this type of sorting out of the "senior right" to a patent claim is undertaken, e.g., by European and Japanese patent examiners. The procedure of tagging patent claims for interferences purposes is intended under the above procedure to be exactly the same examination process.

The "tagging" of claims subject to a "senior right" of an adverse patent applicant is thus precisely what the U.S. patent examiner will eventually do if the U.S. were to adopt a first-to-file system at some future date; the only difference is that after "first-to-file," the tag will become a full-blown *rejection* of the claim.

Obviously, a tagged claim is in substance a "rejected" claim in the sense that the patent examiner, absent further developments, is denying exclusionary rights to the junior-filing patentee. As a matter of law, therefore, the tagging of a claim should be considered equivalent to a patentability rejection, i.e., a rejection for prospective unpatentability.

Hence, the issuance of the "tag" should be an appealable event. The basis for the appeal is simply that the "tagged" claims are not junior-filed or not directed to the same subject matter. In

effect, the grounds of appeal here are precisely the same grounds of appeal that would apply in a first-to-file system where the rejection was based on "senior right." If successful in the appeal, the junior-filing party's patent would issue without the "tag," leaving the claims fully enforceable.

Where no tag was made or the tag was modified or removed pursuant to an appeal, the issue of "prospective unpatentability" is a matter that should, of course, be a grounds for either *opposition* or (given it encompasses a "substantial new question of patentability") reexamination. Again, such an outcome is analogous to the procedural options that would apply under a first-to-file system where the Patent and Trademark Office misapprehended the "first-to-file."

In any event, the issue of burden of proof is established on an *ex parte* basis (except for the possibility of an opposition), as is the question of interference in fact. Thereafter, one seeking to challenge these determinations in court would be faced with a presumption of validity of the patent and the requirement that clear and convincing evidence of the incorrectness of these *ex parte* determinations be established.

Step Three: Opposing Claims In a Senior-Filed Patent Based on "Prior Invention"

As suggested by the tagging procedure outlined above, junior-filing parties find themselves in a number of procedurally distinct situations relative to senior-filing parties. Some patents may already have issued to junior parties with tags as to enforceability; other patents may have issued, but a patent examiner may have missed the need for such a tag. Still other junior parties will have pending applications in various states of prosecution, with or without any notice from the patent examiner of a requirement for such a tag. A final group of junior-filing inventors will not yet have filed applications for patent and the entire issue is premature.

Regardless of the situation of each of these junior-filing inventors *vis-a-vis* the senior filing party, the junior-filing party must successfully oppose the senior-filed patent. Failure to oppose estops the junior-filing party from obtaining an enforceable claim to the same subject matter as is contained in the senior-filed patent. How will these junior-filing inventors be treated and what strategies and procedures must they adopt in filing their oppositions? How will the junior-filing party know when an opposition must be pursued? How can a junior-filing party oppose the senior party when the junior-filing party has not yet filed an application for patent and has no patentable claims?

Issued Patents With Tagged Claims

A junior-filing patentee with tagged claims is in the easiest of all positions for opposing patents granted to a senior-filing party. Because the Patent and Trademark Office will have a record of the published application referenced in the tag, the Office will be in a position to provide a notice in the event that one or more of the senior-filed claims is issued, putting into effect the unenforceablity tag. At such a point the junior-filing patentee could have the full nine month

period for filing an opposition. The opposition papers would be required by rule to set forth the full case of the junior-filing party; they would consist of the junior-filing patentee's assertion of prior patentable invention and the evidentiary support relied on therefor.

The junior-filing patentee would have a further option with respect to the claims in the senior-filed patent. The junior-filing patentee would have the option to oppose any other patent claim in which the junior-filing party asserted prior invention. The opposition would need to be based on an adequate disclosure of the same subject matter as the additionally opposed claim in the junior-filing party's patent and a demonstration of the patentability of such subject matter at least in view of all the art cited in the senior-filing party's patent, in a pending application for patent by the junior-filing party.

Where the junior-filing party fails to oppose claims that the junior filing party has the option to oppose, the junior-filing party would forfeit the opportunity to obtain enforceable claims. After the period for opposition expires, the junior-filing party would not be in a position to subsequently bring an opposition to such claims. Such claims, if pursued in a later-issuing patent, would then be tagged as permanently unenforceable.

Issued Patents Devoid of Tagged Claims

A junior-filing party is not relieved of the obligation to oppose a senior-filed patentee's claims to the same patentable subject matter simply because the patent examiner erroneously failed to require any claims of the junior-filing party to be tagged or because the existence of the senior-filing party's application or patent was not discovered during the examination process.

What procedure is a junior-filing party to use where a problematic patent may have issued and a party's claims have not been tagged? The junior-filing party may simply assert that one or more of the junior-filing patentee's claims are directed to the same patentable subject matter as the senior filing patentee. Upon making such a submission, the Patent and Trademark Office would reexamine the junior-filing inventor's patent and, as required, tag the junior-filing parties claims. The patent examiner might determine that not all the claims in the junior-filing inventor's patent are directed to the same subject matter and decline to tag the claims. Where such claims are not tagged, the opposition would not proceed with respect to the non-tagged claims (subject, of course, to the junior-filing party's right to appeal the denial of the opposition).

The submission of the junior-filing party would additionally include the evidence of a prior invention being relied upon with respect to the submitted claims.

Where the patent examiner seeks to tag claims not identified by the junior party in its submission as part of the opposition, the procedure for doing so would be through the reexamination process. Under a *sua sponte* reexamination initiated by the Commissioner, the additional claims would be made subject to the unenforceability tag. The junior-filing patentee would have the option of agreeing to the tag and filing a second opposition inclusive of the additional patent claims,

provided the submission could be made in a timely manner, or, alternatively, could contest the unenforceability tag, including via appeal to the courts. The burden is always and invariably on the junior-filing party to oppose *everything* in a senior-filing patent that *can be* opposed. Failure to appreciate the full scope of the interfering subject matter and bring a timely opposition with respect thereto will mean that the junior-filing party's corresponding claims will be permanently unenforceable.

Pending Applications for Patent

Where the junior-filing inventor is not yet issued a patent on a pending application, the obligation to oppose the patent of the senior-filing party is no different than if a patent had already issued to the junior filing party. The opposition of the junior-filing applicant must contain an identification of all the claims that the junior-filing party asserts are disclosed in his or her application, establishment of the patentability thereof in the application (at least in view of the references cited in the patent) and other information disclosed in the prosecution history, and the actual evidence on which the assertion of prior invention is based.

In this situation the junior-filing party has exactly the same obligations with respect to the scope of the opposition as in the case that the junior-filing party had a patent issued, but additionally must provide a complete demonstration of patentability. If the demonstration of patentability is acceptable to the examiner, the opposition will proceed in precisely the same manner as if a patent already issued. Where the demonstration of patentability is not accepted, the opposition will proceed provisionally, provided the junior-filing party appeals on the *ex parte* unpatentability issue. If the *ex parte* appeal on patentability is denied, the opposition on the basis of prior patentable invention will be dismissed.

No Patent Application Yet Filed

A junior-filing party that had not yet filed an application for patent would nonetheless be entitled to oppose an issued patent by filing an application for patent and then preceding with the opposition, subject to the limitations imposed on any applicant pursuing an opposition based on prior invention. Most particularly, the junior-filing applicant in this circumstance would need to establish patentability for the subject matter of the opposition over the prior art, including prior art intervening between the patentee's filing date and the date of the application.

The procedure outlined above is similar in policy to the procedure under existing law that requires the copying of patent claims within one year after the issuance of a patent. With the 20-year patent term pushing for a more prompt resolution of rival inventorship questions, the contraction of the one-year copying requirement to a nine-month opposition requirement should assure that title to patent claims is finalized early and consistently in patent terms.

Unlike current interference practice with its elaborate estoppel rules, the only estoppel rule needed under the procedure outlined above is the nine-month, post-grant opposition requirement.

Additionally, unlike current interference practice where both the senior and the junior parties to an interference can be subject to an estoppel, only the junior-filing party is ever estopped.

The consequence of the lack of estoppel rules is, of course, the possibility that a senior-filing party will issue a series of related patents containing slightly different versions of the patent claims. However, in order for a different result to be obtained in subsequent oppositions, the proofs of the parties must differ. Where the same actual embodiments are asserted as evidence of invention for such claims, the outcome would be subject to the normal rule of collateral estoppel—an issue already decided cannot be relitigated.

Step Four: Conducting The Opposition

The opposition begins with the evidence of the junior-filing party already submitted. As in any opposition, the patentee is allowed to respond with rebuttal evidence, followed by the opposer's reply. Because the evidence of both parties may include assertions made in declarations of various witnesses, the rebuttal and reply evidence should be based on access to relevant documents in the possession of the declarant and cross-examination.

Following a hearing on the evidence, the opposition is concluded with a decision of the Patent and Trademark Office on the patentability of the opposed claims. With a minimum of procedural wrangling, the entire proceeding can be concluded in a matter of months (and certainly no more than one year).

Step Five: After the Opposition

What is the status of the rival inventors after the opposition is complete? For the successful or partially successful opposer, one or more of the patent claims will be determined to be unpatentable—anticipated over the prior invention that the opposer has established through "clear and convincing evidence." With such claims gone, the opposer's patent claims corresponding thereto will no longer be unenforceable.

In addition to losing one or more patent claims, the patentee will be prevented from obtaining any claim broader in scope than each such claim determined to be unpatentable on account of a prior invention. This preclusion resides in the simple principle of anticipation: if a narrow claim is anticipated, so are claims inclusive of the narrowly defined subject matter.

The successful or partially successful patentee will be in a similar position. One or more of the opposed patentee's claims will have survived the opposition. As a result, the opposer's corresponding claims are rendered permanently unenforceable. Moreover, the opposer will not be in a position to later bring an administrative challenge to any of the remaining patent claims on the grounds of prior invention.

In short, the interfering subject matter is eliminated. The possibility of a future interference is greatly reduced. For the junior-filing party, the possibility is non-existent. For the senior-filing party, additional claims could conceivably be issued in continuation or continuation-in-part applications.

Step Six: Judicial Challenges Based on "Prior Invention"

The analysis above makes abundantly clear that opposition practice will not hear every assertion of prior invention. Indeed, the only opposers on this ground will be inventors with anticipating claims, *vis-a-vis* the opposed patent claims, that are patentable or patented. Although this is a severe restriction on the ability to oppose an issued patent, it is precisely the same constraint that currently exists in the ability of a rival inventor to pursue a patent interference.

An abundance of public policy considerations support this limitation. First and foremost, opposition practice will not necessarily afford all the discovery possibilities that may characterize litigation in the district courts. Second, the opposition procedure will be designed to reach a rapid conclusion. Such speed may not be consistent with a patentee having the complete capability to defend itself against a prior invention assertion. Third, patentees will have procedural advantages in court, e.g., the right to a trial by jury, that cannot be duplicated in an administrative proceeding.

The New Opposition Procedure

As the description above indicates, issues of patentability and priority can be determined in a simple, straightforward manner by allowing an applicant or patentee with (patentable) claims to the same subject matter to oppose patents on the ground of "prior invention." Such a procedure conducted post-grant and focusing exclusively on the patent of the senior-filed party (although a junior-filed patent claim could also be opposed by *any person*, not just a rival inventor, for failure to contain an unenforceability tag based on a patent claim in a senior-filed patent). Such a procedure, if it is to contain the elements of current interference practice, would also need to determine *patentability* questions independent from priority.

Given that a post-grant opposition-type is to decide priority questions raised by a rival inventor and patentability questions, could this same system be used to address patentability questions raised by *any person*, not just a rival inventor? Could it do so in a manner so as to overcome the difficulties that have historically plagued *inter partes* proceedings before the Patent and Trademark Office? Could such an opposition proceeding, needed now for interference reform, assist in the "quality control" that the Office needs to completely fulfill its public policy mission?

The answer to these questions is "yes." The best answer lies, perhaps in the European patent system's model for opposition practice.

The European Model

Procedure

The European Patent Office opens issued patents to an "opposition" procedure during a nine month period after the publication of notice of grant. The opposition is commenced with the opposer's filing of a "reasoned statement," setting forth the grounds for the opposition.

The opposition notice is then sent immediately to the patentee, who is allowed to make initial, formal objections to the opposition. Simultaneously, publication of the filing of the opposition statement is made in the European Patent Bulletin and the opposition statement becomes a public document. When the opposition is determined to meet the formal requirements, the opposition is forwarded to the Opposition Division in the EPO and examination is commenced.

Where the Opposition Division determines that the grounds set forth in the reasoned statement would "prejudice the maintenance of the European patent," the patentee is so notified and afforded the opportunity to file a response. The patentee's response can include both arguments in support of patentability and amendments. The response is served on the opposer (or on each opposer, if more than one).

Thereafter, the opposer is given the opportunity to file a reply. Again, if multiple opposers are present, each may reply. With this exchange of submissions, the Opposition Division may render its decision or, (more routinely) conduct an oral hearing.

The oral hearing is not a trial, although the EPO does have authority to issue a summons, ordering a witness to appear and provide oral testimony. At the conclusion of proceedings, the patent may be upheld, modified claims may be allowed, or the patent may be rejected in its entirety.

If the Opposition Division determines that modified claims are patentable, it will afford the opposers one further opportunity to object. Barring a further modification, the decision of the Opposition Division will be published and the patent reprinted, as needed. The patentee or the opposer is, however, entitled to appeal an adverse decision to the EPO Board of Appeals.

Substance

Oppositions are permitted before the EPO only on one or more of the following grounds (with rough U.S. patent law equivalent concepts in parentheses):

1. the subject matter of the patent is not patentable for lack of novelty, inventive step (non-obviousness) or industrial application (practical utility);

2. the specification fails to adequately teach one of skill in the art how to make or use the subject matter claimed (enablement), and

3. the subject matter of the patent extends beyond the content of the application as filed (written description).

The scope of permitted grounds for opposition is not co-extensive with the scope of grounds for unpatentability under the European Patent Convention. For example, the EPC (Article 84) requires that the claims be "clear and concise and supported by the description" in order to be patentable. While a patent may be opposed if the claims are not "supported by the description," an opposition based on lack of clarity or preciseness is not authorized under Article 84.

U.S. Opposition Procedures: The European Model of Limited and Controlled

A U.S. opposition proceeding needs to balance control and fairness. Control means that the filing of papers—and their style, length, and content—must be rigorously constrained. Because discovery will be essentially unavailable (except in the context of interference or derivation questions), oppositions must be limited to issues amenable to resolution without discovery. Issues such as "best mode" compliance and "inequitable conduct" are clearly matters of the inventor's contemplation or intent that cannot be part of the opposition.

Finally, just as the EPO has an "Opposition Division," so should the Patent and Trademark Office. A cadre of "administrative law examiners" could be created who would actively manage patent oppositions.

Conclusions

The U.S. patent system will be revolutionized over the course of the next year. This revolution will not be from within, but provoked from without by the GATT. The new patent system must be made to work: it *will be* the patent system for all our inventors. If interferences are to be dominated by global invention date proofs, increasing their number, average duration, and complexity, the interference beast must be reigned in.

Several principles should dominate the new interference practice: scope limited to "novelty-only" interference in fact issues, resolution undertaken after the patent grant, and procedure tied to a mainstream opposition system that can be made to work effectively for all patentees. If the United States is willing to complement the revolution from without with a revolution from within, a far better interference practice would result. As the United States moves down the inevitable road to a first-to-file system, an opposition-based interference practice would help level and straighten that road.