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NEW DEVELOPMENTS IN THE LAW OF IMPORTATION OF FOREIGN INVENTIONS INTO THE U.S.

Introduction

As many of you know, I have been a prophet of importation for some years now. I have preached the gospel of importation of foreign inventions into the U.S. to neutralize Section 104 of the U.S. Patent Code in many a country (and in three languages), e.g., in Basle in 1970, in Stuttgart in 1971, in Toronto in 1972, in Mexico City in 1973, in Tokyo in 1974 and in London in 1975. And I have the impression that my missionary efforts are paying off and are bearing fruit.

To wit, in recent interferences - and only in recent interferences - in which we got embroiled and which also involved foreign applicants, notably, German applicants, acts of importation are being relied on by them in the Preliminary Statements. This hardly ever happened, in my experience, in earlier interferences. In such earlier interferences it was only we who often alleged importation of foreign inventions into the U.S. Also, in very recent times there has been an increase in interference cases pending before, or interference decisions handed down by, tribunals - and the momentum appears to be gaining. Therefore, it is very appropriate to revisit this subject and discuss new developments.

The Law of Importation

Before I embark on such a discussion, however, let me refresh your recollection in general terms and in summary form of what this is all about. When I spoke of importation of foreign inventions into the United States I referred 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 United States. 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. Additionally and importantly, I referred 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 may be or is tantamount to reduction to practice in this country.

While the law is well established that importation of a disclosure of a foreign invention is tantamount to conception in the U.S. (in fact, Rule 217 and Form 45 of the Rules of Practice sanction Preliminary Statements alleging importation of foreign disclosures), it is not nearly as well appreciated that importation of an embodiment of a foreign invention is tantamount to reduction to practice, especially with respect to chemical compounds and complex machinery. I have always maintained that it should be as it was simply and manifestly clear even from the few cases which are on the books 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 identity

and its mode of production and use, is tantamount to reduction to practice in the U.S. No separate and independent reconstruction, reidentification and retesting should be necessary in the U.S.

Another general comment or two about importation. Importation is a means to neutralize Section 104* in a perfectly legitimate way. In a manner of speaking, importation 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 Section 119. Under this Section the foreign applicant, however, can go back only up to one year. With importation he 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, e.g.:

1. When there is delay in filing a foreign priority application.

2. When the priority application is abandoned and refiled and a new priority year is started.

3. When a U.S. application is not filed under the Convention but a non-Convention application is filed later.

4. When Convention filing is missed.

5. When the foreign application has generally insufficient disclosure.

6. When the required certified foreign priority application is not timely filed.

In my talks and papers on importation, the last of which dates back to the Spring of 1975, I concluded, after an analysis

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* Section 104 - Invention made abroad

In proceedings in the Patent 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 section 119 of this title....

of at least the more significant "importation" cases (see Appendix for a comprehensive listing of "importation" cases), with an outline of a suggested procedure for legally and procedurally adequate and effective importation to eliminate the irony that while importation takes place often as a substantive matter, i.e., de facto, in this day and age of multinational or international industrial activity, it is not provable as an adjective matter, i.e. de jure.

My suggested procedure was the following:

1. A full disclosure as early as possible of the foreign invention in the United States, 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. Prompt and careful study and inspection of these materials upon receipt, preferably by two persons who are capable of understanding the invention and who master the language if a foreign language is employed. Each person dates and signs and annotates each page as having been read and understood by him.

3. Preserving these materials, including any sample or sub-sample or other embodiment carefully and keeping good records also abroad pertaining to the production and testing and importation of the invention.

4. Independent exploration of the nature of any embodiment of the invention, e.g., analytical structure corroboration in case of a chemical substance, as a desirable backstop. Immediate testing or use if possible to further strengthen the case for priority.

New Developments

A. Clevenger v. Kooi

As far as new developments and recent "importation" decisions are concerned, I refer of course in particular to Clevenger v. Kooi, 190 USPQ 188 (Bd. Pat. Intf. 1974) and Breuer et al v. DeMarinis, 194 USPQ 308 (CCPA 1977) and I want to examine primarily the question of whether these cases, or the

rather novel and almost startling principles enunciated in them, dictate any change, and in particular any simplification, in the procedure outlined above.

In Clevenger v. Kooi, involving Texas Instruments and U.S. Philips, it was held that the introduction into the United States of a copy of an original invention disclosure which was prepared by an interference party in a foreign country and which contained an enabling disclosure of the invention of the counts constituted a conception of that invention in the United States by that interference party 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.

According to this decision, importation of a disclosure of a foreign invention which is tantamount to conception in the US 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 raises 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.

My first reaction when I read this decision by Mr. Modance, the Board's Chairman, was that the Board had really gone out on a limb. I thought that this decision put foreign inventors in a better position than US inventors because a US inventor could not simply prepare a disclosure and have it filed away without anybody having read it. If this was possible why the universal and conventional practice of witnessing or even notarizing conception records or invention disclosures? I also thought that Mortsell v. Laurila, 133 USPQ

380 (CCPA 1962), did not support the position taken by the Board in Clevenger v. Kooi, 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 US text which is an entirely different situation from the one found in Clevenger where a disclosure was simply put away to collect dust.

Because of my bewilderment, I paid a visit to Mr. Modance after the decision came out last year to discuss this matter with him. Incidentally, Mr. Modance had already hinted that this was his position in the Modern Interference Practice Panel held in Cincinnati on September 25, 1975 by stating:

> "If, for example, you are dealing with a compound, let's say, and someone were to send a letter, from abroad to this country, describing a compound, the method of making it and the utility of it, in other words a complete conception, and if this letter were received by a stenographer or clerk in the United States, there is case law by our Board and also by the court that it wouldn't be necessary, to constitute proper conception, for the party receiving it to have understood it. See Mortsell v. Laurila, I33 USPQ 380, at page 384 (CCPA 1962)." (Transcript of the Proceedings, p. 44)

In my discussion with Mr. Modance he stated that Mortsell v. Laurila did support the proposition in question if the language in the Mortsell decision is taken literally which he does. Besides, Mr. Modance handed me 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). Here too, a Mexican invention disclosure was simply filed away after it was received in the US and here too the Board held that reading and understanding of the foreign invention disclosure was unnecessary.*

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* In spite of this holding, Syntex lost the interference however for lack of "attorney's diligence".

However, in spite of all this I am still very skeptical although I would like nothing better than that Clevenger v. Kooi reflected the state of the law. Then we would not have to go through our standard "importation" procedure or at any rate if we wanted to continue to read the foreign disclosures for informational purposes we could rely on Clevenger as a fall-back position.

On further reflection, I am convinced that Mortsell v. Laurila is being extended by the Board in a way unwarranted by its facts. Besides the Board relies too heavily on specific language of the CCPA which is dictum and not decision. Also, the cases relied on in Scheer v. Kincl do not support the Board in the position they take. This is especially true of the Levy v. Gould (32 USPQ 397) decision in which there was so much frantic activity by the inventor involving disclosures to elicit interest, witnessing and notarizing and whatnot so that the facts in that case are a far cry from the facts in Scheer v. Kincl where a Mexican disclosure was simply filed away in Palo Alto. Also, I am not sure that it is sufficient for a US inventor to simply hand his disclosure over to a third person who puts it away without even looking at it. At best, this is still an open unsettled question; at worst, the case law would seem to militate against such a rule. If pro cases exist, why didn't the Board rely on them; Mortsell is no authority, as explained above.

Needless to say, we have continued our established "importation" practice in spite of Clevenger v. Kooi and Scheer v. Kincl and, interestingly enough, Mr. Modance indicated in a more recent conversation with him that the precedent value of these cases is in doubt because if another case with this fact pattern came along one Board Member "would do differently" and he himself is not so sure anymore that Mortsell v. Laurila lends support. I would also like to think that the CCPA might not see eye to eye with the Board on this issue.

B. Breuer et al. v. DeMarinis

The other very significant "importation" case is Breuer et al. v. DeMarinis, supra, 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 as they are wont to do nowadays 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 United States 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 had found that "no person analyzed the compound in the United States to determine or confirm its structure" as the subject compound and, citing Rochling et al. v. Burton et al., 178 USPQ 300 (Bd. Pat. Intf. 1971), held that "(i)nasmuch as applicants have failed to prove knowledge of the structure in the United States prior to patentee's filing date, they have not made out a prima facie case ...".

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* This case involved derivation issues and an originality contest.

It is interesting to recall in this context that in the Rochling case Shell had synthesized compounds in Germany and had sent them to California for testing but in an interference failed to prove priority vis-a-vis an earlier filed application of British origin. While they 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".

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! The Rochling case is overall readily distinguishable.

Here too, the question comes up as to whether or not we can now dispense with the structure corroboration work carried out in the U.S. in importation cases and here I am almost 100% sure, in my own mind, that this can be done. It really should be possible to eliminate this costly duplication on the authority of the CCPA even though only Rule 204 issues were involved. I should think, however, that on facts like those at bar the foreign applicant should be awarded priority if indeed he has the earlier date vis-a-vis his opponent's invention date rather than merely his filing date. Such a result would be eminently logical and sound.*

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* Incidentally, Mr. Modance does not think the Breuer case can be considered as a landmark case as he feels that the Court went too far, the SmithKline attorneys conceded too much, the Court was wrong as regards the fingerprint holding inasmuch as not even NMR is a fingerprint (?!) and the Court was confused in its reference to Section 104.

Conclusion

None of these decisions deals with and decides the ultimate issue in the law of importation of foreign inventions, namely, whether intrcduction into the US of an embodiment or the physical object, e.g., by way of a sample or model or prototype, of an invention made abroad, especially, e.g. electronic apparatus or chemical compounds, is tantamount to reduction to practice in the U.S., where accompanied by a full and clear disclosure of its nature and identity and its mode of preparation and use but where no re-construction, re-identification and re-testing or other work took place in the U.S. This decision is still reserved for the future. It will come. Nonetheless, the Breuer case represents a most significant advance as it clearly enunciates the principle that no additional analytical work in the US is required if the foreign analytical data are adequate to identify the invention and to apprise R&D personnel in the U.S. of the identity of the invention. I think the Breuer case brings us very close to that ultimate decision since earlier cases already decided that no separate reduction to practice need be carried out in the U.S. The biggest of the remaining issues was the matter of proof of identity of the invention, especially of complex inventions that defy visual identification. And this the Breuer case has settled - authoritatively.

Importation Cases

A. Importation of Invention Disclosures

Thomas v. Reese, 1880 C.D. 12

Harris v. Stern et al., 1903 C.D. 207

Gueniffett v. Wictorsohn, 1907 C.D. 377, aff'd 1908 C.D. 367

Winter v. Latour, 1910 C.D. 408

DeKando v. Armstrong, 1911 C.D. 413

Minorski v. Thilo, 16 USPQ 401 (CCPA, 1933)

Rebuffat v. Crawford, 20 USPQ 321 (CCPA, 1934)

Wilson et al. v. Sherts et al, 28 USPQ 379 (CCPA, 1936)

General Talking Pictures v. American Tri-Ergon et al, 36 USPQ 428 (3rd Cir., 1938)

Langevin v. Nicolson, 45 USPQ 92 (CCPA, 1940)

Mortsell v. Laurila, 133 USPQ 380 (CCPA 1962)

Scheer v. Kincl, (available in file of USP 3,390,157, Bd. Pat. Intf., 1967)

Lassman v. Brossi et al., 159 USPQ 182 (Bd. Pat. Intf., 1967)

Ex Parte Pavilanis et al., 166 USPQ 413 (Bd. App., 1969)

Justus v. Appenzeller, 177 USPQ 332 (Bd. Pat. Intf., 1971)

Clevenger v. Kooi, 190 USPQ 188 (Bd. Pat. Intf., 1974)

B. Importation of Embodiments

Swan v. Thompson, 28 USPQ 77 (CCPA, 1936)

French v. Colby et al., 64 USPQ 499 (D.C. Cir., 1945) cert. den. 326 U.S. 726 (1945)

Kravig et al. v. Henderson, 150 USPQ 377 (CCPA, 1966)

Andre v. Daito, 166 USPQ 92 (Bd. Pat. Intf., 1969)

Weigand v. Hedgewick, 168 USPQ 535 (Bd. Pat. Intf., 1970)

Rochling et al. v. Burton et al., 178 USPQ 300 (Bd. Pat. Intf., 1971)

Breuer et al. v. DeMarinis, 194 USPQ 308 (CCPA, 1977)

C. Diligence Re Foreign Inventions

Hall v. O'Connor, Intf. No. 51,743

Lorimer v. Erickson, 1916 C.D. 200 (App. D.C. 1916)

Wilson et al. v. Sherts et al., 28 USPQ 379 (CCPA, 1936)

Rosen et al. v. NASA, 152 USPQ 757 (Bd. Pat. Intf., 1966)

Newberry v. Klemm et al., Interf. No. 98,504 (Bd. Pat. Intf., 1977)