PATENT PRACTICE

INTERFERENCE WORKSHOP

Termination

Resumption of Ex Parte Prosecution

I. Termination with Respect to the Counts in Issue

A. The termination of the interference operates in a fairly straightforward manner with respect to the precise counts in issue. They are automatically gone for the loser and normally the winner can claim them but not necessarily and not always. The impact of the interference termination on related subject matter in the involved applications or patents, however, is exceedingly complex; it will be the crux of this presentation and covered in greater detail below.

B. Sections 1.261 through 1.267 of 37 Code of Federal Regulations govern the procedure for termination of the interference and some consequences thereof. See also MPEP, Sections 1109 and 1110. Under Section 1.261 an interference comes to an end by way of

1) a judgment pursuant to
   a) Sections 1.251 to 1.259 (after final hearing),
   b) Section 1.225 or Section 1.252 (judgment on the record),
   c) Section 1.228 (summary judgment because of insufficient showing under Section 1.204(c) or

2) a dissolution as provided by Section 1.231 or Section 1.237 (at request of Examiner).

C. According to Section 1.262(a) judgment can be based on a written disclaimer, concession of priority or abandonment of invention filed by an interference party and under Section 1.262(b) an applicant (except an applicant whose reissue application is involved) can also file a written abandonment of the contest or of the application provided he obtains the consent of all other parties involved if he files such abandonment after the taking of testimony. Effect is like that of an adverse award of priority. All these actions result without anything further as "a direction to cancel the claims involved from the application of the party". Section 1.262(d). See also Section 1.263 as to disclaimers filed by patentees; must be by way of statutory disclaimer under Section 1.321; and Section 1.264 as to procedure and consequences of a reissue filing by a patentee. ("The interference will not be terminated unless a reissue is granted excluding claims to the conflicting subject matter, whereupon the interference will be dissolved.")

D. Once the interference has been terminated (i.e., after time for taking appeal has run or after appeal is completed), the involved applications are returned to the PTO for further ex parte proceedings

and subject to further examination "including interference with other applications". See Section 1.266. Section 1.266(a) additionally deals with amendments filed during the interference. If the interference is dissolved without award of priority the status of the applications upon return to ex parte prosecution will depend on the basis for the dissolution. If for example, the interference has been dissolved on motion for the reason of unpatentability, inoperativeness or no right to make the claims, the applicant may pursue the rejection of the claims in his application on these bases by ex parte appeal to the Board of Patent Appeals. If he is successful, the interference can be redeclared. However, the Board of Patent Interferences is not bound by the decision of the Board of Appeals and can still decide the interference on the basis that the applicant cannot make the count.

E. As to the losing party in the interference, Section 1.265 provides:

> "Whenever an award of priority has been rendered in an interference proceeding and the limit of appeal from such decision has expired, the claim or claims constituting the issue of the interference in the application of the defeated or unsuccessful applicant or applicants stand finally disposed of without further action by the examiner and are not open to further ex parte prosecution."

See also MPEP Section 1109.2 (The Losing Party) for details and mechanics.

F. As to the winning party, his application upon return to ex parte prosecution stands exactly as it did before the interference declaration. He "is not denied anything he was in possession of prior to the interference, nor has he acquired any additional rights as a result of the interference". MPEP Section 1109.1. In connection with the latter statement, keep in mind, however, that the winning party may obtain additional and broader claims to the patentable subject matter (provided the prosecution of his case had not been closed). On the other hand, if he is not able to support the count(s), he will not be entitled to the counts.

G. Note also 37 CFR 1.257(b) which states that the termination of the interference by dissolution under Sections 1.231 or 1.237, without an award of priority, or by an award of priority based on ancillary matters only, shall not disturb the presumption that the parties made their inventions in the chronological order of their filing dates and "a party under these circumstances enjoying the status of a senior party with respect to any subject matter of his application shall not be deprived of any claim to such subject matter solely on the ground

that such claim was not added to the interference by amendment under Section 1.231." See Plumat v. Dunipace, 175 USPQ 105 (CCPA 1972).

See also MPEP 1110.02 which concludes by pointing out that "Rule 231(a)(3) now limits the doctrine of estoppel to subject matter in the cases involved in the interference".

H. Lastly, passing reference may be made in this context to 37 CFR Section 1.259 which deals inter alia with recommendations by the Board of Interferences to be considered by the Primary Examiner, after judgment on priority, e.g., bars to patentability.

II. Ex Parte Prosecution with Respect to Related Subject Matter

A. 1) As intimated above, the post-interference picture with respect to related but patentably indistinct subject matter is highly complex. "Without a doubt, one of the most confusing areas of interference practice involves the subject of interference estoppel and the related aftermaths of an interference." Patent Law Perspectives, 76 Dev. C.7-11.

2) See also the "Transcript of Proceedings" of the CPLA's MODERN INTERFERENCE PRACTICE PANEL, Fall 1975, where in a chapter on "Post Decision Procedures - Ex Parte Practice"

inconclusive debate between the panelists is recorded on whether a losing senior party has ever an estoppel problem.

3) Noteworthy is also Gerald Rose's characterization of the interference estoppel doctrine as "a mystifying body of judge-made law designed to ensure that a party who loses an interference cannot, ex parte, end up with dominating claims." Patent Law Review - 1976, Introductory Survey, xlii.

B. Upon resumption of ex parte prosecution, the Examiner in addition to canceling outright any claims lost in the interference (37 CFR 1.265), also rejects all other claims in the loser's application not patentably distinct from the interference issue. Normally, these claims will have been identified by the Examiner at the time the interference was declared as being unpatentable over the interference issue. See MPEP 1101.01(l). It should be noted that an applicant's failure to contest the Examiner's assertion of unpatentability over the counts can raise an estoppel against a later argument for patentability if the interference is lost. Thus, the Examiner's position as to the other claims should be carefully reviewed at the time the interference is set up and, if applicant disagrees with the Examiner, he should traverse his position.

C. Of course, claims which the winning party could not make for lack of support, cannot be denied to the losing party on the ground of interference estoppel, if they distinguish patentably from the count(s).

D. Interestingly, there are circumstances and situations where the losing party can obtain even patentably indistinct claims. But the PTO will fight a good fight before granting such claims. They will try to distinguish and construe narrowly any of the cases you might rely on.

E. For example, after losing Interference No. 97,458, a few years ago, we relied on the Hilmer (In re Hilmer, 165 USPQ 255 (CCPA 1970) and the Frilette (In re Frilette et al., 168 USPQ 368 (CCPA 1971)) cases in subsequent ex parte prosecution in an attempt to patent subject matter outside the count for which the winning party had no support. The PTO and Board of Appeals turned us down, the latter holding with reference to Hilmer II:

> "We specifically indicate that the rejection is not that the claims are unpatentable under 35 U.S.C. 102(g) coupled with 35 U.S.C. 119. Rather, the rejection is on the basis that appellant has lost the interference and, in view of the adverse decision on priority, is not entitled to claims which correspond to or are obvious variations of the invention as defined in the counts of the interference. This is the line of reasoning advanced by the

> third member of the Board in the Hilmer case, cited above, where, while concurring in the result, he stated, 'I see no reason to go beyond the concession of priority filed by Hilmer et al ---'. Since his view was not determinative of the appeal, the court limited itself to only the correctness of the reasoning of the majority."

and with reference to Frilette:

> "In re Frilette et al.... is not in point since in that case, the party to the interference presented proposed counts, which were denied. Here appellants have never proposed counts to cover the presently claimed subject matter. As discussed above, we believe that appellants had the opportunity to present phantom counts which would have allowed determination of priority of the common invention." File history of US Pat. No. 4,035,378.

(We ultimately established unobviousness of this related subject matter.)

F. This was a pre-McKellin case holding and quite similar to In re Ogiue, 188 USPQ 227 (CCPA 1975), where the appellant had erroneously refused to copy claims for the purpose of interference. The CCPA held that he could have copied those claims and had he done so he would have won the interference on the basis of his record filing date. But, since he had refused to copy the claims, he was subject to the same rule of

interference estoppel as though he had lost the claims in a contest with a U.S. inventor. In other words, failure to copy claims is a concession or a disclaimer of those exact claims plus those claims subject to the doctrine of interference estoppel. The latter claims are those which (1) read on the lost claims, or (2) cover "clearly common subject matter." Under the circumstance of this case, the applicant was not only precluded from obtaining the disclaimed subject matter under the doctrine of interference estoppel but this subject matter was prior art as to the applicant. Cf. In re Hellsund, 177 USPQ 170 (CCPA 1973).

G. Contrast In re Frilette et al, supra, where the issue was whether either a patent or the interference count involved in an earlier interference, advanced by the Examiner as prior art against the losing party's ex parte prosecution, could be antedated by an Affidavit under Rule 131. The claims in Frilette's application literally overlapped the interference count but the Examiner had refused to permit them to be added in the interference, contending that they were directed to a different invention. The Court reversed the rejection of the claims over the patent.

See also discussion of Frilette case in Patent Law Perspectives, '71 Dev. C 7-1.

H. Let's go back however, to earlier cases and more general principles. There are two general ways in which an interference termination can affect later ex parte prosecution of related subject matter by the involved parties.

1) The first is by establishing the existence of prior art under some section of 35 USC Section 102 which can thereafter be applied against the claims of the losing party. As to the claims which differ only in "obvious" ways from those lost in the interference, the losing party can obtain those claims unless his opponent's work is statutory prior art under Section 102(g) or Section 102(e).

2) The second is "interference estoppel" which can operate to prevent primarily the losing party (but apparently also the winning party in some situations) from pursuing subject matter which was common to their applications but not contested in their interference. The distinction between these two doctrines was drawn by the CCPA in In re Risse, 154 USPQ 1 (CCPA 1967).

It was found in the Risse case that, inasmuch as the application of the winning party was still pending, it was not available under

Section 102(e) as prior art. Further it was determined that the interference had not determined priority as to one particular compound of the count under appeal and that the applicant was entitled to show by affidavit that his compound was patentable over the compound of the interference. As to another compound, however, it was held that Risse was estopped to prosecute claims thereon since the compound had also been disclosed in the interfering application and could therefore have been contested in the interference.

The court also noted that the question of whether the disclosure of the winning party constitutes prior art must necessarily depend on the facts of the particular case and expressly overruled In re Bicknell, 58 USPQ 553 (CCPA 1943) and In re Boileau, 78 USPQ 146 (CCPA 1948) insofar as these cases held that all subject matter common to the winning and losing applications could necessarily be used to reject the losing party's claims.

See also Patent Law Perspectives, '67-'68 Dev. 1293.

I. The Risse decision was strongly endorsed in In re Wilding, 190 USPQ 59 (CCPA 1976). The court, reversing the Board, emphasized that the PTO cannot base a rejection on the complete disclosure

of the winning party's application unless that disclosure becomes statutory prior art. Cf. criticism of this case in Patent Law Perspectives, '76 Dev. C. 7-14. See also Ex parte Walsh, 190 USPQ 377 (Bd/App. 1975) and Meitzner v. Mindick, 193 USPQ 17 (CCPA 1977), the most recent case to come down in this area.

J. The conclusion to be drawn from this line of cases is quite clear: A junior party has a duty to present all claims involving common subject matter between the interfering applications even though not suggested by the Examiner, the MPEP 1109.02 statement notwithstanding that "a losing applicant may avoid a rejection based on unclaimed disclosure of a winning patentee". That this is not necessarily so is shown by In re Bandel, 146 USPQ 389 (CCPA 1965). Patent Law Perspectives, '77 Dev. C. 7-17 suggests that removal of this MPEP trap is in order. The junior party must therefore plan his motion strategy very carefully and keep the potential estoppel problems in mind.

K. This brings us to the Hilmer doctrine and the McKellin decision which opens up a whole new avenue for losing parties in interferences involving applications or patents of foreign origin. While the interference estoppel doctrine was

discussed in some detail in the Hilmer and McKellin cases, it was in the end not a controlling consideration at all.

In the Hilmer I case [In re Hilmer, 149 USPQ 480 (CCPA 1966) as well as in Eli Lilly v. Brenner, 153 USPQ 95 (Ct. App. D.C. 1967)] and in Hilmer II [In re Hilmer, 165 USPQ 255 (CCPA 1970)] it was held that the disclosure of the patent of the winning party was not effective as prior art under either Section 102(e) or Section 102(g) respectively, since the losing party had a better U.S. filing date than the foreign origin patent and that only the patentee was entitled to any benefits under 35 USC 119 because of the earlier foreign filing date.

L. In the McKellin decision, In re McKellin et al, 188 USPQ 428 (CCPA 1976), the CCPA held that priority based upon a foreign filing date in an interference proceeding carried a different effect on the losing applicant than if the priority had been based on acts within the United States. The losing applicant's claims had been broader than the counts in the interference, and, after losing the applicant had resumed ex parte prosecution of species disclosed neither in the foreign patent nor within the scope of the interference counts.

It had been held below that the new claims were obvious variations of what had been involved in the interference counts. The CCPA, however, rejected the idea that the subject matter of the interference counts was statutory prior art to the losing party in the same anticipatory sense as the prior art described in Section 102, and also within the meaning of prior art in Section 103. The interference provision, Section 135(a), was intended as a procedural section, and whether the subject matter of the counts fell within the prior art must be determined in light of Section 102 and Section 103. Here Section 102(g) does not apply because the winning party was awarded priority on the basis of a foreign filing date and a foreign invention was involved. Nor does Section 102(a) apply because the subject matter of the counts was neither known nor used by others in this country before the applicant's effective filing date, and also there was no evidence that the invention disclosed in the foreign application was either published or patented before the applicant's effective filing date. Further, Section 102(b) was inapplicable because the foreign application was not filed more than one year prior to the applicant's effective filing date. Section 102(e), of

course, was inapplicable because the effective date of the disclosure was the United States application date, which was subsequent to the applicant's effective date. The court decided that although significantly different consequences follow from an award of priority based on prior invention in the United States, as opposed to an award based on prior invention in a foreign country, it was for Congress to decide whether to change the law. The majority opinion and a concurring opinion by Chief Judge Markey sought to stimulate congressional response, and a further concurring opinion by Judge Rich sought to counter the "implied bar" theory in the dissenting opinion of Judge Miller.

An extensive discussion of the Hilmer doctrine and the McKellin cases can be found in BNA's PTCJ, No. 292, C-1 ff., 8/26/76.

M. Perhaps the conclusion drawn with respect to these decisions by Patent Law Perspectives at '76 Dev. c. 7-14, is a very fitting one:

> "Starting from the vantage point of the CCPA's holdings in its two Hilmer cases, the result in McKellin is neither a surprising nor an illogical one. Notwithstanding the rather uncompelling legislative history argument advanced by Judge Miller to the contrary, however, we think it unfortunate that the net result of this exercise is the foisting on the public of a plurality of patents for what may be a single inventive contribution."

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