20 House Report No. 96-1307, 96th Cong., 2d Sess. (1980) *

[Part 1]

AMENDING THE PATENT AND TRADEMARK LAWS

September 9, 1980--Ordered to be printed

Mr. Kastenmeier, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H.R. 6933]

[Including cost estimate and comparison of the Congressional Budget Office]

The Committee on the Judiciary to whom was referred the bill (H.R. 6933) entitled: "To amend the patent and trademark laws", having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendment to the text of the bill is a complete substitute therefor and appears in italic type in the reported bill.

The title of the bill is amended to reflect the amendment to the text of the bill.

STATEMENT

The Need for the Legislation

Many analysts of the U.S. economy have warned that the roots of the current recession lie in a longer term economic malaise which arises out of a failure of American industry to keep pace with the increased productivity of foreign competitors.n1

According to the Committee for Economic Development, "the slowing of productivity improvement during the past few years parallels the discouraging decline in the rate of investment in plant and equipment."n2 The rate of investment as a proportion of GNP has averaged about one half the rate for France and Germany and about one third the rate for Japan. Further, the situation does not appear to be improving. There has been an especially significant decline in total U.S. expenditures for research and development, as measured in constant dollars since 1970.n3 Since the primary means of improving productivity lies in the creation of new technologies, the decline in expenditures for research and development is especially significant to the health of the overall economy.

Testimony presented to the Subcommittee on Courts, Civil Liberties and the Administration of Justice also indicates that the Federal Government is bearing an ever increasing share of the burden of financing basic research and development.n4 This means that the effective commercialization of government financed research is becoming an ever more important issue for those who are concerned with industrial innovation. The patent policies governing the utilization of government funded research will become even more important when the research expected to flow out of recent Congressional enactments such as the Energy Security Act of 1980n5 begins to produce usable new technologies. It is highly likely that the fuel which powers our automobiles and the boilers which heat our homes will owe part of their chemical composition or mechanical operation to patented research developed in part by government funds. At the present time U.S. companies desiring to use government funded research to develop new products and processes must confront a bewildering array of 26 different sets of agency regulations governing their rights to use such research. This bureaucratic confusion discourages efficient use of taxpayer financed research and development.

HISTORY OF THE BILL

The crisis in U.S. productivity and the governmental role in it has not gone unnoticed, however. In May of 1978 the President called for a major policy review of industrial innovation as the key to increased productivity in the United States. This White House call to action resulted in the creation of an advisory Committee of more than 150 senior representatives from the industrial, public interest, labor, scientific, and academic communities. The work of the Advisory Committee was overseen by a cabinet level coordinating committee chaired by the Secretary of Commerce. The Committee studied all the areas in which federal government policy impacts on productivity and innovation in the private sector. These fields of inquiry included: economic and trade policy; environmental, health and safety regulations; anti-trust enforcement; federal procurement policies, and federal patent and information policies.

When the advisory committee issued its 300 page report last year, a key segment contained recommendations on government patent policy. These recommendations, in turn, were received by the President, and formed the basis of a major legislative proposal which was conveyed to the Congress. Special emphasis was placed on the role of the patent system and the patent policy regarding government funded research in promoting industrial innovation. These patent related recommendations were forwarded to the Committee on the Judiciary and are embodied in H.R. 6933 and H.R. 3806.

H.R. 6933 has three major thrusts. First, it strengthens investor confidence in the certainty of patent rights by creating a system of administrative reexamination of doubtful patents. Secondly, it strengthens the financial resources of the Patent Office to provide fast and accurate processing of patent applications by revising the fee structure of the Office. Finally, the existing melange of 26 different agency policies on vesting of patent rights in government funded research is replaced by a single, uniform national policy designed to cut down on bureaucracy and encourage private industry to utilize government funded inventions through the commitment of the risk capital necessary to develop such inventions to the point of commercial application.

H.R. 3806 embodies another recommendation of the Advisory Committee and the President. It grants jurisdiction over appeals in patent cases to a single court of appeals--ending the current legal confusion created by 11 different appellate forums, all generating different interpretations of the patent law. The new court will do a great deal to improve investors' confidence in patented technology.

In addition to the three broad areas already outlined, H.R. 6933 addresses the special needs of Universities and small businesses when they attempt to deal with Patent issues arising out of government contracts. Both of these groups lack the resources to cope with the bewildering regulatory and bureaucratic problems associated with transfer of patent rights pursuant to government contracts; and the university sector in particular is an important link to the private sector.

The Subcommittee on Courts, Civil Liberties and the Administration of Justice held seven days of hearings on H.R. 6933 and related patent law proposals. In all, over thirty witnesses from Government, the private Bar, industry, education, small business, and the judiciary offered testimony on the various legislative proposals before the subcommittee. Hearings were followed by four days of markup, during which H.R. 3806, creating a new Court of Appeals for the Federal Circuit, H.R. 6933, containing reforms in patent policy and procedures, and H.R. 6934, clarifying the law of copyright of computer programs, were reported favorably. Each bill was reported unanimously. The unanimous votes, particularly on H.R. 6933, were cast only after careful examination of the legislation in light of the criticisms made during the hearings and after consultation with members of the Committee on Science and Technology, which shares jurisdictional interest. During the course of markup H.R. 6933 was amended substantially to respond to criticisms raised during the hearing.

SUMMARY OF THE BILL

H.R. 6933, as amended, addresses four major issues. Section 1 provides for a system of administrative reexamination of patents within the patent office. This new procedure will permit any party to petition the patent office to review the efficacy of a patent, subsequent to its issuance, on the basis of new information about preexisting technology which may have escaped review at the time of the initial examination of the patent application. Reexamination will permit efficient resolution of questions about the validity of issued patents without recourse to expensive and lengthy infringement litigation. This, in turn, will promote industrial innovation by assuring the kind of certainty about patent validity which is a necessary ingredient of sound investment decisions.

The cost incurred in defensive patent litigation sometimes reaches $ 250,000 for each party, an impossible burden for many smaller firms. The result is a chilling effect on those businesses and independent inventors who have repeatedly demonstrated their ability to successfully innovate and develop new products. A new patent reexamination procedure is needed to permit the owner of a patent to have the validity of his patent tested in the Patent office where

the most expert opinions exist and at a much reduced cost. Patent office reexamination will greatly reduce, if not end, the threat of legal costs being used to "blackmail" such holders into allowing patent infringements or being forced to license their patents for nominal fees.

The reexamination of issued patents could be conducted with a fraction of the time and cost of formal legal proceedings and would help restore confidence in the effectiveness of our patent system.

The bill does not provide for a stay of court proceedings. It is believed by the committee that stay provisions are unnecessary in that such power already resides with the Court to prevent costly pretrial maneuvering which attempts to circumvent the reexamination procedure. It is anticipated that these measures provide a useful and necessary alternative for challengers and for patent owners to test the validity of United States patents in an efficient and relatively inexpensive manner.

Sections 2 through 5 of H.R. 6933 provide for a new fee structure for the patent office. At the present time patent examination fees are established by statute, last revised in 1967. When enacted, the present fee structure provided revenues which met 67 percent of the costs of operating the Patent Office. Inflation has now reduced the impact of those fees to the point where they generate only 27 percent of the funding necessary to the operation of the office.

At the present time patent fees average about $ 239 per application.n6

H.R. 6933 would entirely revise the fee structure. It grants the Commissioner the power to establish fees. As introduced, the bill provided that the fee level would be revised yearly to generate 60 percent of the revenue needed to operate the office. However, the subcommittee amended the bill to reduce that level to 50 percent. This was in response particularly to criticism from small business and individual inventors that the fees would place too great a burden on those groups.

In order to further soften the impact on small business and individual inventors, the fees are to be paid in four installments over the life of the patent. This system, known as maintenance fees, is in use in most advanced industrial nations and has the advantage of deferring payment until the invention begins to return revenue to the inventor.

Should the invention prove to have no commercial value, the inventor has the option of permitting the patent to lapse, thus avoiding all further fees.

Section 6 of H.R. 6933 provides for a uniform policy governing the disposition of patent rights in government funded research.

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SECTION-BY-SECTION ANALYSIS

Reexamination

Section 1 of the bill would add seven new sections to the patent laws to establish a patent reexamination system. These seven new sections would constitute chapter 30 of title 35 of the United States Code.

Section 301. Citation of prior art

Section 301 provides statutory authority for the citation to the Patent and Trademark Office (PTO) of prior art consisting of patents or printed publications which a person believes to have a bearing on the patentability of any claim of a particular patent. Section 301 would make clear that a citation of prior art is not to be included in the official file on a patent unless the citer submits a written statement as to the pertinency and applicability to the patent. Section 301 also would require the PTO to keep the identity of the citer of prior art confidential if the citer so requests in writing. Without the confidentiality provision, competitors of a patent owner might be reluctant to cite prior art to the PTO.

Section 302. Request for reexamination

Section 302 provides authority for any person to seek reexamination by the PTO on the basis of the patents and printed publications cited under section 301. Such a person need not be the one who cited prior art under section 301. The person could even be the patentee.

Section 302 requires that the person seeking reexamination pay a fee established by the Secretary. Under section 2 of this bill, the Secretary would be required to establish a fee to recover the estimated average cost of a reexamination proceeding. Thus, those who request reexamination would pay for it.

Section 302 requires the Commissioner to send a copy of the request promptly to the patent owner, as shown by the records of the Office. The patent owner would have to see that his ownership and current address are recorded properly so that the request is not sent to a previous owner.

Section 303. Determination of issue by Commissioner

Subsection 303(a) requires the Commissioner to determine if a "substantial new question of patentability" is raised in connection with any claims of the patent against which a patent or printed publication is cited and to order reexamination upon a positive determination. Further, it would permit the Commissioner to initiate reexamination without a request upon a determination that a substantial new question of patentability is raised by patents or publications discovered by him or cited under the provisions of section 301. This authority to initiate reexamination without a request is not intended to abrogate in any way the right of the United States to sue to cancel a patent obtained by fraudulent means.

This "substantial new question" requirement would protect patentees from having to respond to, or participate in unjustified reexaminations. Further, it would act to bar reconsideration of any argument already decided by the Office, whether during the original examination or an earlier reexamination.

Subsection 303(b) requires that the Commissioner's determination be recorded in the file of the patent and a copy promptly sent to the patent owner and the person requesting the reexamination.

Subsection 303(c) makes final and nonappealable a decision by the Commissioner not to conduct reexamination. In such a case, however, a portion of the reexamination fee could be returned.

No one would be deprived of any legal right by a denial by the Commissioner of a request for reexamination. A party to a reexamination proceeding could still argue in any subsequent litigation that the PTO erred and that the patent is invalid on the basis of the cited prior art.

Section 304. Reexamination order by Commissioner

Section 304 specifies the initial steps to be taken where the Commissioner determines that reexamination should be ordered. Upon issuance of a determination ordering reexamination, the patent owner would be given the opportunity to file a statement with the Office and, if he wishes, to propose an amendment to the specification or claims of his patent as well as a new claim or claims in response to the Commissioner's determination. The patent owner would be required to serve a copy of any such statement and any proposed amendment on the person requesting reexamination, who would be permitted to file a reply with the Office, with service required on the patent owner.

Section 305. Conduct of reexamination proceedings

Section 305 governs the conduct of the actual reexamination proceeding. Section 305 specifies that after the initial exchange permitted under section 304, the PTO will utilize the same procedures it uses for the initial examination of patent applications under patent law sections 132 and 133 . The patent owner could propose an amendment to his patent specification or claims, as well as propose a new claim or claims, to distinguish his invention from the prior art cited under section 301. However, the bill would prohibit the Commissioner from granting during reexamination any amended or new claim that enlarges the scope of a claim of the original patent. Also, the bill would require reexamination to be promptly handled, so as to make it as helpful as possible.

Section 306. Appeal

Section 306 grants a patent owner the right to pursue the same appeal routes available to patent applicants. An adverse decision on reexamination by the primary examiner could be appealed to the Board of Appeals. Adverse final decisions on reexamination by the Board of Appeals or by the Commissioner could be appealed to the U.S. Court of Customs and Patent Appeals or de novo review of the reexamination decision could be sought in the United States District Court for the District of Columbia.

Section 307. Certificate of patentability, unpatentability, and claim cancellation

Section 307(a) requires the Commissioner at the conclusion of reexamination to cancel any patent claim found to be unpatentable, confirm any patent claim found to be patentable, and add any amended or new claims found to be patentable.

Subsection 307(b) provides intervening rights similar to those provided by patent law section 252 with respect to reissued patents. Thus, a person practicing a patented invention would not be considered an infringer for the period between issuance of an invalid patent and its conversion through reexamination to a valid patent.

It ordinarily is in the interests of both parties to expedite the disposition of patent litigation. A party discovering new prior art on which reexamination might be conducted ordinarily will reveal it promptly to the patent owner. If he does not, the court may exercise its equity power by allowing the patent owner to request reexamination later in the trial, or precluding the party from relying on such prior art or by other appropriate measures.

Administrative Fee Setting

Section 2 of the bill would restructure and modernize completely section 41 of title 35, United States Code--the basic fee provision of the patent laws.

The committee recognizes that the PTO, in issuing patents and registering trademarks, performs a significant public service in implementing the Federal patent and trademark laws and also confers benefit on private persons who seek to protect their intellectual property. The Committee, therefore, supports the premise that patent applicants and those seeking to register trademarks should bear a significant share of the cost of operating the PTO by the payment of fees. However, the Committee has made certain amendments to the formula which empowers the Commissioner to set these fees. Certain costs of operating the PTO confer no direct benefit on applicants but rather go to meet the responsibility of the Federal Government to have a PTO in order to execute the law. For example, the cost of executive direction and administration of the office, including the Office of the Commissioner and certain agency offices involved with public information, legislation, international affairs and technology assessment. Maintaining the public search room confers a general public benefit, as does the maintenance of the patent files in depository libraries. The contribution to the World Intellectual Property Organization relative to the Patent Cooperation Treaty is a treaty obligation. These costs should be paid for entirely from appropriated funds.

The committee inserted the word "actual" in this legislation to describe those costs which should be assumed 50 percent by applicants. Patent applicants should bear through the payment of fees, 25 percent in processing of fees, and 25 percent in maintenance fees, the costs of the patent examiners and their clerical support, as well as quality review, appeals, interferences, and patent printing including internal PTO printing costs. Also, "actual" is intended to exclude from such costs the acquisition or replacement of equipment where such acquisition or replacement involves substantial capital outlays. Such expenditures would be paid from the Patent and Trademark Office's appropriation. The cost of data and document retrieval systems, however, to the extent that these expenditures goes toward the reclassification of the patent search file, should be borne 50 percent by the public. These are the actual costs of processing patent applications, and activity which confers certain direct benefits on private persons.

The committee notes that the PTO furnishes to the public copies of issued patents for a fee. The costs to the PTO of such copies should be charged to applicants.

The trademark examiners and their clerical support, the trial and appeal process, and trademark printing should be paid for to the extent of 50 percent by applicants for the registration of trademarks.

Some of the cost of operating the PTO confers no direct benefit to the general public, but rather goes to providing services to private parties. The cost of customer services such as providing copies should be recovered 100 percent in fees. Also, in the patent process, drafting and assignment should be self-supporting.

Illustrative Example of PTO Recovery Policy--Based on Fiscal
Year 1981 Budget

I. Government 100 percent: Commissioner (includes Office of Information Services); Office of Legislation and International Affairs; Management planning; Administrative services; Automatic data processing; and Search room.

II. Government 50 percent/users 50 percent: Examination--professional staff; Quality review; Clerical force; Appeals; Interferences; Patent printing; Solicitor; Data and document retrieval; publication services; Examination of trademarks; Trademark trial and appeals; and Trademark printing.

III. Users 100 percent: Customer services; drafting; and assignment.

Section 41. Patent fees

Subsection 41(a) authorizes the Secretary of Commerce to set fees administratively for processing a patent application, for maintaining a patent in force, and for providing all other patent services and materials.

Subsection 41(b) requires the Secretary of Commerce to establish fees for processing patent applications, from filing to disposition by issuance or abandonment, equal in aggregate to 25 percent of the estimated average cost of actually processing an application. As fee revenues and costs change, the Secretary would adjust fees to achieve the specified recovery rate once every three years. These fees are those of the type now specified in paragraphs 1, 2, 3, and 6 of existing subsection 41(a) of the patent laws. The Secretary would have authority to eliminate or change the amounts of any of the present fees and establish others, so long as a fee charged directly relates to the actual processing of patent applications and the aggregate fees for an application effect the specified 25 percent recovery rate.

Subsection 41(b) would treat design patent processing fees differently than fees for other types of patents. Since the costs to the Office of processing design patent applications are significantly lower and maintenance fees will not be imposed, design patent applicants would be charged fees equal in aggregate to 50 percent of the estimated cost of processing such an application.

Subsection 41(c) requires the payment of maintenance fees three times in a patent's life--six months prior to the fourth, eighth and twelfth anniversaries of the patent's seventeen-year term. As required by the Paris Convention for the Protection of Industrial Property, subsection 41(c) permits late payment during a six-month grace period. Failure to pay an applicable maintenance fee by the end of the grace period would result in expiration of the patent on the date the grace period ends.

Subsection 41(c) also requires the Secretary to establish maintenance fees at levels that recover 30 percent of the costs to the Office for the year in which such maintenance fees are received of processing all applications for patents other than design patents, from filing through disposition by issuance or abandonment, by the fifteenth year following enactment of the Act.

Subsection 41(d) requires the Secretary to establish fees for all other patent-related services and materials at levels which will recover the full costs to the Office of performing those services or providing those materials. Fees would be adjusted as costs vary. Subsection 41(d), however, would maintain the existing subsection 41(a)(9) fee of $ 50 for providing a despository library with uncertified printed copies of the specifications and drawings for all patents issued in a year.

Subsection 41(e) allows the Commissioner to waive any fee for a service or product provided to a government agency. This authority now is provided in existing subsection 41(c).

Subsection 41(f) limits the adjustment of patent application processing fees and maintenance fees to once every three years.

Subsection 41(g) imposes a notice requirement on effective date of new or adjusted fees.

Crediting of Fee Revenue to the PTO Appropriation Account

Section 3 of this bill would amend section 41 of title 35, United States Code, by completely rewriting it.

Section 42. Patent and Trademark Office funding

Subsection 42(a) makes all fees for Patent and Trademark Office services and materials payable to the Commissioner of Patents and Trademarks. This provision is carried over from existing section 42.

Subsection 42(b) requires all fee revenues and all Patent and Trademark Office appropriations to be credited to the Patent and Trademark Office Appropriation Account in the Treasury of the United States. At present, Patent and Trademark Office fee revenues are deposited in the general fund of the Treasury and are unavailable for directly funding PTO activities.

Subsection 42(c) makes fee revenues credited to the PTO Appropriation Account available to the Secretary of Commerce to carry out the activities of the Patent and Trademark Office. Budgetary control is maintained since the PTO would continue to receive appropriations and the use of fee revenues would be limited "to the extent provided for in an appropriations Acts."

Subsection 42(d) authorizes the Secretary to refund any fee paid by mistake or any account paid in excess of that required. This authority is found in existing section 42.

Technical Amendment

Section 4 of the bill is a technical amendment to section 154 of the patent laws necessitated by creation of the maintenance fee system.

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Transitional Provisions

Section 8. Effective date

Section 8 provides for the taking effect of the bill's various provisions.

Section 8(a) specified and that the fee setting authority provisions of the bill and the conforming technical amendment take effect upon enactment. Nevertheless, these fees need not be set to recover the levels specified in the bill (25 percent recovery for patent processing and full recovery for providing materials and services in patent and trademark cases) until the first day of the first fiscal year beginning one calendar year after enactment. This will provide at least a year to determine the amounts and natures of fees needed.

Subsection 8(b) provides that the reexamination provisions of this bill take effect six months after enactment and apply to patents then in force or issued thereafter.

Subsection 8(c) provides that the authority to credit fee revenues to the Office's Appropriation Account take effect as of the first day of the first fiscal year beginning one calendar year after enactment. Thus, at least one year would be available to obtain needed administrative approval and implement an appropriate accounting system. However, until section 3 takes effect, the Secretary, in order to pay reexamination costs, may credit the Patent and Trademark Office Appropriation Account with the revenues from collected reexamination fees.

Subsection 8(d) continues existing fees until new fees are established.

Subsection 8(e) provides that maintenance fees shall not be applicable to patents applied for prior to the day of enactment of this Act.

Subsection 8(f) provides that sections 6 and 7 of this bill which establish a uniform patent policy and make necessary conforming amendments to existing laws take effect six months after enactment.

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Estimated Cost of the Legislation

It is estimated that there will be no additional costs to the United States due to the provisions of H.R. 6933. As the statement of the Congressional Budget Office indicates, there will be a substantial savings to the United States as a result of the legislation.

Statement of the Congressional Budget Office

Click here to view image.

Dear Mr. Chairman: Pursuant to Section 403 of the Congressional Budget Act of 1974 , the Congressional Budget Office has prepared the attached cost estimate for H.R. 6933, a bill to amend the patent and trademark laws.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely, James Blum
(For Alice M. Rivlin, Director).

CONGRESSIONAL BUDGET OFFICE--COST ESTIMATE, AUGUST 28, 1980

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Reexamination of patents

H.R. 6933 would allow any party to petition the PTO to reexamine a patent for validity. The cost of reexamination would be paid by the party based on a fee structure established by the Commissioner of Patents. It is anticipated that the number of patent applications for reexaminations will be limited by the cost involved and the potential for commercial

development. Based on rates currently available in foreign countries for similar procedures, as well as estimates provided by the PTO, it is estimated that the number of appeals will be approximately 500 in fiscal year 1981, increasing to 2,000 by 1982, and remain relatively stable thereafter.

Although the bill does not specifically authorize funding for this purpose, it is assumed that additional staff will be required to handle the reexamination procedures. Based on PTO data, it is estimated that the average cost per employee, including overhead and benefits, would be approximately $ 40,000 in fiscal year 1981. Assuming approximately 30 hours per reexamination, plus clerical support, it is estimated that approximately 55 appeals could be reviewed annually by a professional staff member. It is estimated that the cost of this procedure would be approximately $ 0.4 million in fiscal year 1981, which reflects six month's activity. Costs are estimated to be $ 1.4 million in fiscal year 1982, increasing to $ 2.5 million by fiscal year 1985. It is assumed, however, that the full amount required by the PTO for salaries and expenses would be recovered by fees set at the beginning of the fiscal year and adjusted annually for inflation and anticipated workload. It is assumed that fees would be included with the request for reexamination and reflected as a reimbursable to the agency, resulting in a net outlay of around zero in each fiscal year.

Revision of fee structure

H.R. 6933 would restructure the current fee structure for patents and trademarks. Currently, the PTO recovers approximately 20 percent of the cost of processing patents and approximately 30 percent of the cost of issuing trademarks. These fees are deposited in the general fund of the Treasury.

The bill would allow the PTO to recover up to 25 percent of the average processing costs and 25 percent of the maintenance costs for patents, the latter fee collected in four installments over the life of the patent. In addition, the PTO would be allowed to recover a maximum of 50 percent of the cost of issuing trademarks. All fees for patents and trademarks could be adjusted no more than once every three years and would be credited to the PTO as a reimbursable to the agency, rather than as a revenue to the Treasury.

It is assumed that the revised fee structure for trademarks would be implemented early in the second quarter of fiscal year 1981, and for patents beginning in fiscal year 1982. It is assumed that the agency costs for processing patents and trademarks from which recovery could be made would be approximately $ 84 million in fiscal year 1982, increasing to approximately $ 109 million by fiscal year 1985. It is assumed that an average recovery rate of 25 and 50 percent, adjusted every third year, would be established for processing fees for patents and for trademarks, respectively. Patent maintenance fees would be collected three times in a patent's life--around the forth, eighth, and twelfth year. Since the first payment would not be made until fiscal year 1986, it is not reflected in the table below.

[By fiscal years, in millions of dollars]

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Committee Vote

H.R. 6933 was approved by the Committee on the Judiciary on August 20, 1980, by a voice vote.

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CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE 35, UNITED STATES CODE

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PART I--PATENT AND TRADEMARK OFFICE

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CHAPTER 4--PATENT FEES

Sec.

41. Patent fees.

42. Payment of patent fees; return of excess amounts.

[§ 41. Patent fees

[(a) The Commissioner shall charge the following fees:

[1. On filing each application for an original patent, except in design cases, $ 65; in addition on filing or on presentation at any other time, $ 10 for each claim in independent form which is in excess of one, and $ 2, for each claim (whether independent or dependent) which is in excess of ten. For the purpose of computing fees, a multiple dependent claim as referred to in section 112 of this title or any claim depending therefrom shall be considered as separate dependent claims in accordance with the number of claims to which reference is made. Errors in payment of the additional fees may be rectified in accordance with regulations of the Commissioner.

[2. For issuing each original or reissue patent, except in design cases, $ 100; in addition, $ 10 for each page (or portion thereof) of specification as printed, and $ 2 for each sheet of drawing.

[3. In design cases:

[a. On filing each design application, $ 20.

[b. On issuing each design patent: For three years and six months, $ 10; for seven years, $ 20; and for fourteen years, $ 30.

[4. On filing each application for the reissue of a patent, $ 65; in addition, on filing or on presentation at any other time, $ 10 for each claim in independent form which is in excess of the number of independent claims of the original patent, and $ 2 for each claim (whether independent or dependent) which is in excess of ten and also in excess of the number of claims of the original patent. Errors in payment of the additional fees may be rectified in accordance with regulations of the Commissioner.

[5. On filing each disclaimer, $ 15.

[6. On appeal for the first time from the examiner to the Board of Appeals, $ 50; in addition, on filing a brief in support of the appeal, $ 50.

[7. On filing each petition for the revival of an abandoned application for a patent or for the delayed payment of the fee for issuing each patent, $ 15.

[8. For certificate under section 255 or under section 256 of this title, $ 15.

[9. As available and if in print: For uncertified printed copies of specifications and drawings of patents (except design patents), 50 cents per copy; for design patents, 20 cents per copy; the Commissioner may establish a charge not to exceed $ 1 per copy for patents in excess of twenty-five pages of drawings and specifications and for plant patents printed in color; special rates for libraries specified in section 13 of this title, $ 50 for patents issued in one year. The Commissioner may, without charge, provide applicants with copies of specifications and drawings of patents when referred to in a notice under section 132.

[10. For recording every assignment, agreement, or other paper relating to the property in a patent or application, $ 20; where the document relates to more than one patent or application, $ 3 for each additional item.

[11. For each certificate, $ 1.

[(b) The Commissioner may establish charges for copies of records, publications, or services furnished by the Patent and Trademark Office, not specified above.

[(c) The fees prescribed by or under this section shall apply to any other Government department or agency, or officer thereof, except that the Commissioner may waive the payment of any fee for services or materials in cases of occasional or incidental requests by a Government department or agency, or officer thereof.]

§ 41. Patent fees

(*a*) *The Commissioner of Patents will establish fees for the processing of an application for a patent, from filing through disposition by issuance or abandonment, for maintaining a patent in force, and for providing all other services and materials related to patents. No fee will be established for maintaining a design patent in force.*

(*b*) *By the first day of the first fiscal year beginning on or after one calendar year after enactment of this Act, fees for the actual processing of an application for a patent, other than for a design patent, from filing through disposition by issuance or abandonment, will recover in aggregate 25 per centum of the estimated average cost to the Office of such processing. By the first day of the first fiscal year beginning on or after one calendar year after enactment, fees for the processing of an application for a design patent, from filing through disposition by issuance or abandonment, will recover in aggregate 50 per centum of the estimated average cost to the Office of such processing.*

(*c*) *By the fifteenth fiscal year following the date of enactment of this Act, fees for maintaining patents in force will recover 25 per centum of the estimated cost to the Office, for the year in which such maintenance fees are received, of the actual processing all applications for patents, other than for design patents, from filing through disposition by issuance or abandonment. Fees for maintaining a patent in force will be due three years and six months, seven years and six months, and eleven years and six months after the grant of the patent. Unless payment of the applicable maintenance fee is received in the Patent and Trademark Office on or before the date the fee is due or within a grace period of six months thereafter, the patent will expire as of the end of such grace period. The Commissioner may require the payment of a surcharge as a condition of accepting within such six-month grace period the late payment of an applicable maintenance fee.*

(*d*) *By the first day of the first fiscal year beginning on or after one calendar year after enactment, fees for all other services or materials related to patents will recover the estimated average cost to the Office of performing the service or furnishing the material. The yearly fee for providing a library specified in section 13 of this title with uncertified printed copies of the specifications and drawings for all patents issued in that year will be $ 50.*

(*e*) *The Commissioner may waive the payment of any fee for any service or material related to patents in connection with an occasional or incidental request made by a department or agency of the Government, or any officer thereof. The Commissioner may provide any applicant issued a notice under section 132 of this title with a copy of the specifications and drawings for all patents referred to in that notice without charge.*

(*f*) *Fees will be adjusted by the Commissioner to achieve the levels of recovery specified in this section; however, no patent application processing fee or fee for maintaining a patent in force will be adjusted more than once every three years.*

(*g*) *No fee established by the Commissioner under this section will take effect prior to sixty days following notice in the Federal Register.*

[§ 42. Payment of patent fees; return of excess amounts

[All patent fees shall be paid to the Commissioner who, except as provided in sections 361(b) and 376(b) of this title, shall deposit the same in the Treasury of the United States in such manner as the Secretary of the Treasury directs, and the Commissioner may refund any sum paid by mistake or in excess of the fee required by law.]§ 42. Patent and Trademark Office funding

(*a*) *All fees for services performed by or materials furnished by the Patent and Trademark Office will be payable to the Commissioner.*

(*b*) *All fees paid to the Commissioner and all appropriations for defraying the costs of the activities of the Patent and Trademark Office will be credited to the Patent and Trademark Office Appropriation Account in the Treasury of the United States, the provisions of section 725e of title 31, United States Code, notwithstanding.*

(*c*) *Revenues from fees will be available to the Commissioner of Patents to carry out, to the extent provided for in appropriation Acts, the activities of the Patent and Trademark Office.*

(*d*) *The Commissioner may refund any fee paid by mistake or any amount paid in excess of that required.*

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PART II--PATENTABILITY OF INVENTIONS AND
GRANT OF PATENTS

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CHAPTER 14--ISSUE OF PATENT

* * * * *

§ 154. Contents and term of patent

Every patent shall contain a short title of the invention and a grant to the patentee, his heirs or assigns, for the term of seventeen years, subject to the payment of [issue] fees as provided for in this title, of the right to exclude others from making, using, or selling the invention throughout the United States, referring to the specification for the particulars thereof. A copy of the specification and drawings shall be annexed to the patent and be a part thereof.

* * * * *

CHAPTER 30--PRIOR ART CITATIONS TO OFFICE AND REEXAMINATION OF PATENTS

Sec. 301. 301. Citation of prior art.

Sec. 302. Request for reexamination.

Sec. 303. Determination of issue by Commissioner.

Sec. 304. Reexamination order by Commissioner.

Sec. 305. Conduct of reexamination proceedings.

Sec. 306. Appeal.

Sec. 307. Certificate of patentability, unpatentability, and claim cancellation.

§ 301. Citation of prior art.

Any person at any time may cite to the Office in writing prior art consisting of patents or printed publications which that person believes to have a bearing on the patentability of any claim of a particular patent. If the person explains in writing the pertinency and manner of applying such prior art to at least one claim of the patent, the citation of such prior art and the explanation thereof will become a part of the official file of the patent. At the written request of the person citing the prior art, his or her identity will be excluded from the patent file and kept confidential.

§ 302. Request for reexamination

Any person at any time may file a request for reexamination by the Office of any claim of a patent on the basis of any prior art cited under the provisions of section 301 of this title. The request must be in writing and must be accompanied by payment of a reexamination fee established by the Commissioner of Patents pursuant to the provisions of section 41 of this title. The request must set forth the pertinency and manner of applying cited prior art to every claim for which reexamination is requested. Unless the requesting person is the owner of the patent, the Commissioner promptly will send a copy of the request to the owner of record of the patent.

§ 303. Determination of issue by Commissioner

(*a*) *Within three months following the filing of a request for reexamination under the provisions of section 302 of this title, the Commissioner will determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. On his own initiative, and at any time, the Commissioner may determine whether a substantial new question of patentability is raised by patents and publications discovered by him or cited under the provisions of section 301 of this title.*

(*b*) *A record of the Commissioner's determination under subsection (a) of this section will be placed in the official file of the patent, and a copy promptly will be given or mailed to the owner of record of the patent and to the person requesting reexamination, if any.*

(*c*) *A determination by the Commissioner pursuant to subsection (a) of this section that no substantial new question of patentability has been raised will be final and nonappealable. Upon such a determination, the Commissioner may refund a portion of the reexamination fee required under section 302 of this title.*

§ 304. Reexamination order by Commissioner

If, in a determination made under the provisions of subsection 303(a) of this title, the Commissioner finds that a substantial new question of patentability affecting any claim of a patent is raised, the determination will include an order for reexamination of the patent for resolution of the question. The patent owner will be given a reasonable period, not less than two months from the date a copy of the determination is given or mailed to him, within which he may file a statement on such question, including any amendment to his patent and new claim or claims he may wish to propose, for consideration in the reexamination. If the patent owner files such a statement, he promptly will serve a copy of it on the person who has requested reexamination under the provisions of section 302 of this title. Within a period of two months from the date of service, that person may file and have considered in the reexamination a reply to any statement filed by the patent owner. That person promptly will serve on the patent owner a copy of any reply filed.

§ 305. Conduct of reexamination proceedings

After the times for filing the statement and reply provided for by section 304 of this title have expired, reexamination will be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133 of this title. In any reexamination proceeding under this chapter, the patent owner will be permitted to propose any amendment to his patent and a new claim or claims thereto, in order to distinguish the invention as claimed from the prior art cited under the provisions of section 301 of this title, or in response to a decision adverse to the patentability of a claim of a patent. No proposed amended or new claim enlarging the scope of a claim of the patent will be permitted in a reexamination proceeding under this chapter. All reexamination proceedings under this section, including any appeal to the Board of Appeals, will be conducted with special dispatch within the Office.

§ 306. Appeal

The patent owner involved in a reexamination proceeding under this chapter may appeal under the provisions of section 134 of this title, and may seek court review under the provisions of sections 141 to 145 of this title, with respect to any decision adverse to the patentability of any original or proposed amended or new claim of the patent.

§ 307. Certificate of patentability, unpatentability, and claim cancellation

(*a*) *In a reexamination proceeding under this chapter, when the time for appeal has expired or any appeal proceeding has terminated, the Commissioner will issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent any proposed amended or new claim determined to be patentable.*

(*b*) *Any proposed amended or new claim determined to be patentable and incorporated into a patent following a reexamination proceeding will have the same effect as that specified in section 252 of this title for reissued patents on the right of any person who made, purchased, or used anything patented by such proposed amended or new claim, or who made substantial preparation for the same, prior to issuance of a certificate under the provisions of subsection* (*a*) *of this section.*

* * * * *

[Part 2]

SEPTEMBER 23, 1980.--Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. Brooks, from the Committee on Government Operations, submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany H. R. 6933]

[Including cost estimate of the Congressional Budget Office]

The Committee on Government Operations, to whom was referred the bill (H.R. 6933) entitled "To amend the patent and trademark laws," having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

* * * * *

It was determined that Sections 1 through 5, dealing with certain procedures and fees, were not within the jurisdiction of the committee. The committee's jurisdiction does cover those sections dealing with Government policies for retaining or disposing of contract inventions developed during the course of or under Government contracts and related matters, and those sections dealing with the reorganization or transfer of individual units of Government.

* * * * *

FOOTNOTES:

[n1] Footnote 1. Report of the President's Advisory Committee on Industrial Innovation, Sept., 1979.

[n2] Footnote 2. *Stimulating Technological Progress.* A statement by the Research and Policy Committee of the Committee for Economic Development, Jan. 1980, pp. 2-7.

[n3] Footnote 3. *Science Indicators,* National Science Board, 1976, pp. 108-115.

[n4] Footnote 4. Testimony of Pindaros Roy Vagelos, M.D., before the subcommittee on Courts, Civil Liberties and the Administration of Justice, April 15, 1980, transcript p. 14.

[n5] Footnote 5. P.L. 96-294 .

[n6] Footnote 6. Testimony of Honorable Sidney Diamond, Commissioner of Patents, April 24, 1980--p. 50.

*. The following is the text of those portions of the House Report by the Committee on the Judiciary (Part 1) and Committee on Government Operations (Part 2) relating to patent fees and patent reexamination. Those portions dealing with section 6 of H.R. 6933 and with other matters are omitted in view of the substantial amendments made to section 6 by the Senate.

23 Discussion Accompanying Adoption of New Interference Rules

DEPARTMENT OF COMMERCE

Patent and Trademark Office

37 CFR Part 1

[Docket No. 40104-4151]

Patent Interference Proceedings

AGENCY: Patent and Trademark Office, Commerce

ACTION: Final rule.

SUMMARY: The Patent and Trademark Office is amending its rules of practice in patent interference cases. The Patent Law Amendments Act of 1984 , Pub. L. 98-622, sections 201-202 , abolished the Board of Appeals and Board of Patent Interferences and created in their place a Board of Patent Appeals and Interferences which will decide *ex parte* appeals from adverse decisions of patent examiners and interference cases. The Patent and Trademark Office, through this amendment of its rules, intends to provide guidance on the procedures the Office will be following in conducting interference cases before the Board of Patent Appeals and Interferences.

DATE: The effective date of these rules is: February 11, 1985.

SUPPLEMENTARY INFORMATION: The Patent and Trademark Office (PTO) conducts interference proceedings to determine who as between two or more applicants for patent or one or more applicants and one or more patentees is the first inventor of a patentable invention. Heretofore, the determination was made by a Board of Patent Interferences. The Patent Law Amendments Act of 1984 , Pub. L. 98-622, sections 201-202 combines the Board of Appeals and the Board of Patent Interferences into a single Board of Patent Appeals and Interferences (Board) and authorizes the Board to consider priority and patentability in interference cases.

In view of the discretion given the Board under 35 U.S.C. 135(a) , as amended by Pub. L. 98-622 ("The Board ... may determine questions of patentability. ..."), these new rules will apply to all interferences declared on or after February 11, 1985, except in special circumstances, such as: (1) Interferences which are declared as a result of a motion made in another interference which was pending before the Board before February 11, 1985 (e.g., an interference declared as a result of a motion under 37 CFR 1.231 to declare an additional interference): (2) an interference related to another interference declared prior to February 11, 1985 (e.g., an interference involving a method of using a compound where an interference involving the same parties and the compound was declared prior to February 11, 1985); and (3) an interference reinstituted after having been dissolved under the old rules (37 CFR 1.201-1.288) (e.g., an interference reinstituted after having been dissolved as a result of a motion under 37 CFR 1.231 to dissolve on the grounds of unpatentability where the applicant has obtained allowance of the claims held unpatentable in the decision on motions).

Through these new rules the PTO seeks to improve interference procedure so that the rights of parties in interferences are determined at an early date and the overall process of examining patent applications which become involved in interferences is simplified.

In order to obtain maximum input from the public prior to formally proposing revisions to the rules, on August 1, 1983, the PTO published in the Federal Register an advance notice of proposed rulemaking for interference rules. 48 FR 34836-34855 . The advance notice was not published in the *Official Gazette.* Twenty-one written comments were received. All comments are available for public inspection in Room 10C01, Crystal Gateway II, 1225 Jefferson Davis Highway, Arlington, Virginia.

On January 30, 1984, the PTO published in the Federal Register a notice of proposed rulemaking. 49 FR 3768-3802. The notice was also published in the *Official Gazette* on February 14, 1984. 1039 O.G. 11; 1039 TMOG 11. The

notice also appeared in the Bureau of National Affairs' Patent, Trademark & Copyright Journal, Vol. 27, pp. 312-346 (February 2, 1984), hereinafter "BNA." Eighteen written comments were received in response to the notice of proposed rulemaking. The comments are analyzed herein. A hearing was held on May 15, 1984. Three individuals appeared at the hearing. Oral comments made at the hearing are also analyzed herein. The eighteen comments and copy of the transcript of the hearing are available for public inspection in Room 10C01, Crystal Gateway II, 1225 Jefferson Davis Highway, Arlington, Virginia.

The new rules for interferences are set forth herein in § § 1.601 through 1.688. The new rules replace entirely the present interference rules (37 CFR 1.201 through 1.288). A "six hundred" number series is used for the new rules. The use of a six hundred number series for the new rules will permit interested individuals to research published decisions (e.g., F.2d, USPQ) or computerized legal research services (e.g., LEXIS) citing the new rules.

An index of the headings of § § 1.601-1.688 and a table correlating 37 CFR 1.201 through 1.288 (old rules) to § § 1.601 through 1.688 (new rules) appears below.

Under the new rules, interferences are decided by the Board. The Board has jurisdiction to determine (1) priority of invention, (2) patentability of any claim corresponding to a count both as to applicants and patentees, (3) any issue of interference-in-fact as to any count, and (4) any other issue necessary to resolve the interference. The rules permit an interference to be declared on the basis of a single count defining one patentable invention in interferences involving patents as well as applications. The Board also has jurisdiction to determine whether counts are patentably distinct.

When an interference is declared, an examiner-in-chief is assigned to handle the interlocutory stages of the interference. An examiner having full signatory authority determines when one or more applications and a patent claim the same patentable invention. When the examiner makes such determination, the examiner will forward any involved applications or patents to the Board. The examiner will designate, at the time the involved applications or patents are sent to the Board, the claims of any application and patent which correspond to each count. The examiner-in-chief can subsequently designate additional claims to correspond to a count. The examiner-in-chief assigned to handle the interference will issue a notice to the parties declaring the interference.

The object of the interference will be to resolve all controversies as to all interfering subject matter defined by one or more counts. A final decision in the interference will determine who, if anyone, is entitled to claims which correspond to a count. Any decision adverse to an applicant by the Board will constitute a final refusal by the PTO to that applicant of the claims involved. Any decision adverse to a patentee constitutes cancellation from the patent of the claims involved.

Any decision by the Board on any issue is binding on the examiner and would govern further proceedings in the PTO.

The designation of a single examiner-in-chief to handle the interlocutory phases of an interference will permit better management of, and control over, interference proceedings. The rules provide that times be set and the examiner-in-chief exercise control over proceedings in the interference such that pendency of the interference before the Board from declaration to final decision will not normally exceed 24 months. The examiner-in-chief should be familiar with the history of the interference and will be accessible to counsel for the parties. For example, an examiner-in-chief, where appropriate, may conduct telephone conference calls to obtain agreement of the parties on the setting of schedules. The rules also permit the examiner-in-chief to hold hearings in the PTO or by conference telephone call in order to expedite or settle interlocutory issues in interferences. Any hearing can be transcribed by a court reporter under such conditions as an examiner-in-chief or the Board deems appropriate. The examiner-in-chief, where appropriate, will be available by phone to rule on the admissibility of evidence in the event parties encounter unusual problems during the taking of depositions. The examiner-in-chief will also be available to rule on requests for production of documents which take place during cross-examination. Oral orders given by phone will be followed by written orders.

At the time an interference is declared, the examiner-in-chief will set a time for filing preliminary motions. The preliminary motions can include:

(1) A motion for judgment on the ground that a claim corresponding to the count is not patentable to an opponent under 35 U.S.C. 102, 103, 112 , or any other provision of law.

(2) A motion for judgment on the ground that there is no interference-in-fact between the claims of the opponents in the interference.

(3) A motion to add or to substitute new counts, to amend a claim corresponding to a count, to designate an application or patent claim to correspond to a count, to designate an application or patent claim as not corresponding to a count, or to require an applicant to present a claim to be designated to correspond to a count.

(4) A motion to substitute another application for the application involved in the interference or to add an application for reissue to the interference.

(5) A motion to declare another interference.

(6) A motion to be accorded the benefit of an earlier application or to attack the benefit of an earlier application which has been accorded to an opponent.

Other motions are permitted as necessary, such as a motion to amend the count and/or a claim corresponding to the count in response to a preliminary motion for judgment.

Oppositions to motions are permitted if filed within a time set by the examiner-in-chief. Replies are also authorized. Papers which are not authorized by the rules or requested by the examiner-in-chief can be returned unfiled.

A preliminary statement will be filed prior to or concurrently with the preliminary motions outlined above.

Motions will be decided by an examiner-in-chief, who may consult with an examiner on questions of patentability which have not previously been decided by the examiner. The examiner-in-chief may grant a motion, deny a motion, defer consideration on the merits of a motion to final hearing, or take such other action with respect to a motion as may be appropriate, e.g., dismiss an entirely inappropriate motion.

At the time preliminary motions are decided, the preliminary statements will be opened. If a decision on a motion or inspection of the preliminary statement results in entry of an order to show cause why a judgment should not be entered, the party against whom judgment might be entered can request a hearing before the examiner-in-chief and two additional examiners-in-chief. The decision will govern further proceedings. If adverse, the decision will constitute a final agency action. If favorable, the interference will proceed before the examiner-in-chief.

After preliminary motions are decided and assuming judgment does not result, a period may be set for the parties to file motions for additional discovery. The scope of the additional discovery would be the same as under current practice.

When a time period is set for filing discovery motions, or after discovery has closed, the examiner-in-chief will set a period for taking testimony. Any party wishing to take the testimony of a witness can elect to have the testimony of the witness taken by deposition or presented by affidavit. A transcript of an *ex parte* deposition can be used as an affidavit. If an affidavit is presented, the opposing party may then cross-examine on oral deposition. Any redirect will take place at the deposition. The party calling the witness is responsible for securing a court reporter and filing the transcript and record associated with cross-examination of its witness.

In the event a party needs testimony from a third-party who will not appear unless a subpoena is issued, including a hostile witness, direct and cross-examination testimony may be taken on oral deposition. The rules provide that prior authorization of an examiner-in-chief is required before a party can take testimony by issuance of a subpoena under 35 U.S.C. 24 . The rule thus adopts the policy of *Sheehan* v. *Doyle,* 513 F.2d 895, 898, 185 USPQ 489, 492 (1st Cir.), *cert. denied,* 423 U.S. 874 (1975), and *Sheehan* v. *Doyle,* 529 F.2d 38, 40, 188 USPQ 545, 546 (1st Cir.), *cert. denied,* 429 U.S. 870 (1976), *rehearing denied,* 429 U.S. 987 (1976), and rejects the policy announced in *Brown* v. *Braddick,* 595 F.2d 961, 967, 203 USPQ 95, 101-102 (5th Cir. 1979). Testimony obtained in other proceedings, e.g., another interference or an infringement action, may be used if otherwise admissible.

Under the rules, the Federal Rules of Evidence are made applicable to interferences, except for those portions which relate to criminal actions, juries, and other matters not relevant to interferences. Those portions include:

(1) Rule 103(c) .

(2) Rule 104(c), (d), and (e) .

(3) The language in Rule 105 which reads "and instruct the jury accordingly."

(4) Rule 201(g) .

(5) The language in Rule 403 which reads "or misleading the jury."

(6) Rule 404(a)(1) and (2) .

(7) The word "charge" in Rule 405(b) .

(8) The language "or criminal" and proviso (ii) in Rule 410 .

(9) Rule 412 .

(10) Rule 606 .

(11) The language "whether by an accused" and "other" in the last sentence of Rule 607 .

(12) The provisions of the first sentence of Rule 611(c) relating to leading questions on direct examination do not apply to statements made in an affidavit authorized to be filed under the rules.

(13) The language "Except as otherwise provided in criminal proceedings by section 3500 of title 18, United States Code" and "except that in criminal cases when the prosecution elects not to comply, the order shall be one striking the testimony or, if the court in its discretion determines that the interests of justice so require, declaring a mistrial" in Rule 612 .

(14) Rule 614 .

(15) Rule 706 .

(16) The language "excluding, however, in criminal cases matters observed by police officers and other law enforcement personnel" and "and against the Government in criminal cases" in Rule 803(8) .

(17) The language "but not including, when offered by the Government in a criminal prosecution for purposes other than impeachment, judgments against persons other than the second" in Rule 803(22) .

(18) The language "prosecution for homicide or in a" in Rule 804(b)(2) .

(19) The language "A statement tending to expose the declarant to criminal liability and offered to exculpate the accused is not admissible unless corroborating circumstances clearly indicate the trustworthiness of the statement" in Rule 804(b)(3) .

(20) Rule 1101(a), (b), (d)(2), (d)(3), and (e) .

The examiner-in-chief will set a period for filing the record and briefs. Oral hearings normally will be held before a panel consisting of the examiner-in-chief assigned to the interference and two other examiners-in-chief. The panel will render a final decision in the interference. Requests for reconsideration are permitted.

In rendering its decision, the Board will consider only that evidence which can be made available to the public under § 1.11(a). Accordingly, the Board will not consider evidence which is submitted under a protective order issued by a court if release of that evidence under § 1.11(a) would be inconsistent with the terms of the court's order.

A final decision of the Board is reviewable in the U.S. Court of Appeals for the Federal Circuit or an appropriate U.S. district court. Any reviewing court can review all aspects of the decision including patentability, priority, and all relevant interlocutory orders, such as denials of discovery.

Except as noted above, these new rules are applicable to all interferences declared on or after February 11, 1985. Interferences declared prior to February 11, 1985, continue to be governed by the prior rules (37 CFR 1.201-1.288 (July 1, 1984)) and will be decided by personnel of the Board of Patent Appeals and Interferences. Actions presently taken by a patent interference examiner or examiners of interferences will be taken by an examiner-in-chief.

An anticipated time schedule for a two-party interference follows.

Sections 1.601 through 1.688 would introduce new concepts in interference practice. Some of the more significant aspects of the rules, as well as some of the new concepts, include the following.

Section 1.1 codifies a practice announced in a Commissioner's Notice of November 28, 1983, "Mailing of Papers to the PTO in Patent Interference Proceedings," 1037 *Official Gazette* 25 (December 27, 1983) and authorizes a party in an interference to direct mail to the PTO intended for the interference to a special box in the Mail Room for interference papers. Amendments copying claims which are filed prior to the time an interference is declared would continue to be addressed in accordance with § 1.5(a).

Section 1.5 provides that when a paper filed in the PTO concerns an interference which has been declared, it should state the names of the parties (e.g., Smith v. Jones) and the number of the interference. The name of the examiner-in-chief assigned to the interference (§ 1.610) and the name of the party filing the paper should also appear conspicuously on the first page of the paper. Identification of the examiner-in-chief assigned to the interference and the name of the party filing the paper will greatly assist the Board in its administration of interference cases.

Section 1.8 excludes from the certificate of mailing practice any paper in an interference which an examiner-in-chief orders filed by hand or "Express Mail." Papers filed by "Express Mail" in an interference case would be addressed as set forth in § 1.1(e).

Section 1.11 sets forth when the interference file would become available to the public without a petition for access.

Section 1.48 provides that when a request is filed to correct inventorship of an application involved in an interference, the request shall comply with the requirements of § 1.48 and shall be accompanied by a motion under § 1.634. The request will be placed in the file of the application and the motion will be placed in the file of the interference. The request will be decided as part of the interference.

Section 1.138 permits an attorney or agent to sign and file a paper abandoning an application involved in an interference.

Section 1.196 more clearly sets forth the options open to an applicant when the Board makes a new ground of rejection under § 1.196(b). The last sentence of paragraph (b)(1) is intended to clarify practice in certain situations. One situation involves a case where (1) the Board affirms an examiner's rejection of a "first" claim and makes a new ground of rejection under § 1.196(b) of a "second" claim, (2) the applicant elects to have further proceedings before the examiner on the new ground of rejection on the second claim, and (3) those proceedings do not result in a further appeal (i.e., the second claim is allowed or is cancelled). The last sentence of § 1.196(b)(1) permits the Board to make its decision final on the first claim. By making its decision final on the first claim, the time period under § 1.304 for seeking judicial review begins. Another situation involves a case where (1) the Board affirms an examiner's rejection of a claim over reference A, (2) the Board also enters a new ground of rejection of the claim over reference B, (3) the applicant elects to have further proceedings before the examiner on the new ground of rejection, and (4) those proceedings result in applicant overcoming the new ground of rejection based on reference B. The last sentence of § 1.196(b)(1) permits the Board to make its decision final as to its affirmance of the rejection over reference A. Entry of an order making its decision final would start the period under § 1.304 for seeking judicial review. Thus, an applicant does not forego possible judicial review by electing further prosecution before the examiner when a new ground of rejection is made by the Board. Under paragraph (d), a recommendation by the Board that an allowed claim be rejected is binding on the examiner (rather than being a mere recommendation as was previously the case) in the absence of (1) an amendment, (2) showing of facts by affidavit or other appropriate evidence, or (3) both. The last sentence of paragraph (d) is intended to clarify that the Board may enter a final decision in certain circumstances. When the Board affirms an examiner's rejection of a "first" claim and makes a recommendation under paragraph (d) as to a "second" claim, the application is remanded to the examiner and the Board's decision affirming the rejection of the first claim is not a final decision. If proceedings before the examiner on remand do not result in a further appeal (i.e., the second claim is allowed or is cancelled), the Board may then make its decision final as to the first claim. By making its decision final as to the first claim, the time period under § 1.304 for seeking judicial review starts. Thus, an applicant does not forego judicial review on the first claim merely because of the remand proceedings with respect to the second claim.

Most of the current interference rules (§ § 1.201 through 1.247 and 1.251 through 1.288) are removed, but will continue to govern interferences declared prior to February 11, 1985. Section 1.248 is retained and governs service of papers in all patent cases except interference proceedings. Section 1.646 governs service of papers in interference proceedings.

Under § 1.292, it is intended to modify public use proceedings only to the extent that public use and on sale issues which arise during an interference shall be raised by a preliminary motion under § 1.633(a). There is no fee for filing the motion in the interference, but a fee would continue to be necessary when a petition is filed for institution of a public use proceeding apart from an interference. When a public use proceeding is instituted apart from an interference, the Commissioner will designate an appropriate official to conduct the proceeding including the setting of times for taking testimony under § § 1.671 through 1.685. There will continue to be no "additional discovery" (see § § 1.687 and 1.688) in public use proceedings.

Section 1.304 makes clear that the provisions of § 1.136 do not apply when judicial review is sought of a decision of the Board of Patent Appeals and Interferences in (1) a reexamination proceeding or (2) an interference. An extension of time to seek judicial review of a decision of the Board in a reexamination proceeding may be obtained under § 1.550(c). An extension of time to seek judicial review of a decision of the Board of an interference proceeding may be obtained under § 1.645. Section 1.304 also establishes an "excusable neglect" standard for seeking judicial review in interference cases when a notice of appeal is untimely filed or a civil action is not timely commenced. The excusable neglect standard is intended to be the same as the standard under Rule 4(a)(5) of the Federal Rule of Appellate Procedure.

Section 1.322 provide that when a request for a certificate of correction under 35 U.S.C. 254 (PTO mistake) is filed to make a correction of a patent involved in an interference, the request shall comply with the requirements of § 1.322 and shall be accompanied by a motion under § 1.635. The request will be placed in the file of the patent and the motion will be placed in the file of the interference. The request will be decided as part of the interference.

Section 1.323 provides that when a request for a certificate of correction under 35 U.S.C. 255 (patentee's mistake) is filed to make a correction of a patent involved in an interference, the request shall comply with the requirements of § 1.323 and shall be accompanied by a motion under § 1.635. The request will be placed in the file of the patent and the motion will be placed in the file of the interference. The request will be decided as part of the interference.

Section 1.324 provides that when a request is filed to correct inventorship of a patent involved in an interference, the request shall comply with the requirements of § 1.324 and shall be accompanied by a motion under proposed § 1.634. The request will be placed in the file of the patent and the motion will be placed in the file of the interference. The request will be decided as part of the interference.

Section 1.565 provides that when a patent is involved in an interference proceeding and a reexamination proceeding, both the interference proceeding and the reexamination proceeding *will* continue unless one of the proceedings is stayed. A stay of a reexamination proceeding will be made by the Commissioner. A stay of an interference proceeding will be made by an examiner-in-chief, subject to review by the Commissioner. Section 1.565 continues the present practice of the Commissioner determining in every instance whether to stay a reexamination proceeding when the patent involved in the reexamination proceeding is sought to be reissued or becomes involved in litigation.

Under § 1.601, the rules shall be construed to secure the just, speedy, and inexpensive determination of interferences. Section 1.601 defined various terms used in Subpart E including "additional discovery," "affidavit," "case-in-chief," case-in-rebuttal," "count," "effective filing date," "filing date," "interference," "interference-in-fact," "junior party," "lead" attorney, "party," "phantom count," "same patentable invention," "separate patentable invention," "senior party," "sworn," and "United States." "Affidavits" include declarations under 35 U.S.C. 25 and 37 CFR 1.68 as well as statutory declarations under 28 U.S.C. 1746 . The definition of "United States" is the same as the definition of United States in 35 U.S.C. 100(c) .

The definition of "interference" permits an interference between one or more applications and one of more patents. Thus, these new rules follow the policy of *Wilson* v. *Yakel,* 1876 Dec. Comm'r. Pat. 245 (Comm'r. Pat. 1876) and, to the extent inconsistent therewith, do not follow the policy announced in *Touval* v. *Newcombe,* 194 USPQ 509 (Comm'r. Pat. 1976). However, in view of the statutory requirement for the presence of at least one application in an interference, if an applicant were to concede priority or otherwise be terminated from an interference involving only one application and more than one patent, the interference would have to be terminated for lack of subject matter jurisdiction unless one or more of the patentees filed an application for reissue which could be added to the interference under § 1.633(h). A "count" defines interfering subject matter. An interference may have two counts only if the second count defines a "separate patentable invention" from the first count. The reason the 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. A "separate patentable invention" is defined in § 1.601 (n):

Invention (A) is a "separate patentable invention" with respect to invention (B) when invention (A) is new (35 U.S.C. 102) and nonobvious (35 U.S.C. 103) in view of invention (B) assuming invention (B) is prior art with respect to invention (A).

Section 1.602(a) continues the present PTO practice (37 CFR 1.201(c)) of not declaring or continuing an interference between (1) two or more applications owned by the same party or (2) an application and a patent owned by a single party unless good cause is shown. A corporation and its wholly-owned subsidiary are considered a "single

party" within the meaning of § 1.602(a). Under prior rules, when a patent and an application involved in an interference became commonly owned, the interference was not "dissolved." Rather, the PTO required that the interference be terminated with a judgment. *Chillas* v. *Weisberg,* 1928 Dec. Comm'r. Pat. 24 (Comm'r. Pat. 1928); *Malone* v. *Toth,* 202 USPQ 397 (Comm'r. Pat. 1978); and *Morehouse* v. *Armbruster,* 209 USPQ 514 (Comm'r. Pat. 1980). Under these new rules, all interferences, including those involving only applications, will be terminated with a judgment. As noted in *Chillos* v. *Weisberg, supra* at 25 "the common owner can allow a judgment against the junior party to be rendered by default or it can file a concession of priority from one party to the other." Paragraphs (b) and (c) of § 1.602 continue the present PTO practice (37 CFR 1.201(c)) of requiring a party to notify the PTO of any real party in interest not apparent on the face of the notice declaring the interference (see § 1.611) or of any change in the real party in interest after the interference is declared. The PTO needs to know the identity of any real party in interest to properly enforce § 1.602(a) and to enable an examiner-in-chief to determine whether recusal is necessary or appropriate. A new requirement in paragraphs (b) and (c), not present in 37 CFR 1.201(c) , is a 20-day time period for advising the PTO of the identity of, or any change in, the real party in interest.

Under § § 1.601(f), 1.603, and 1.606, the interfering subject matter would be defined by one or more counts. All the claims in an application or a patent which define the same patentable invention as a count would be designated to correspond to the count. An interference would have two counts only if one count defines a separate patentable invention from another count. Under § 1.606, at the time an interference is declared between a patent and an application, a count would not be narrower in scope than any patent claim which corresponds to the count. Thus, a patent claim would be presumed, subject to a motion under § 1.633(c), not to embrace "separate patentable inventions." Some examples illustrate how the PTO would formulate counts and designate patent and application claims to correspond to counts.

Example 1: Application A contains patentable claim 1 (engine). Application B contains patentable claim 8 (engine). If an interference is declared, there would be one count (engine). Claim 1 of application A and claim 8 of application B would be designated to correspond to the count.

Example 2: Application C contains patentable claims 1 (engine) and 2 (6-cylinder engine). Application D contains patentable claim 8 (engine). An engine and a 6-cylinder engine define the same patentable invention. If an interference is declared, there would be one count (engine). Claims 1 and 2 of application C and claim 8 of application D would be designated to correspond to the count.

Example 3: Application E contains patentable claims 1 (engine), 2 (6-cylinder engine), and 3 (engine with a platinum piston). Application F contains patentable claims 11 (engine) and 12 (8-cylinder engine). Claims 1 and 2 of application E and claims 11 and 12 of application F define the same patentable invention. Claim 3 of application E defines a separate patentable invention from claims 1 and 2 of application E and claims 11 and 12 of application F. If an interference is declared, there would be one count (engine). Claims 1 and 2 of application E and claims 11 and 12 of application F would be designated to correspond to the count. Claim 3 of application E would not be designated to correspond to the count.

Example 4: Application G contains patentable claims 1 (engine), 2 (6-cylinder engine), and 3 (engine with a platinum piston). Application H contains patentable claims 11 (engine) and 15 (engine with a platinum piston). Claims 1 and 2 of application G and claim 11 of application H define the same patentable invention. Claim 3 of application G and claim 15 of application H define a separate patentable invention from claims 1 and 2 of application G and claim 11 of application H. If an interference is declared, there would be two counts: Count 1 (engine) and Count 2 (engine with a platinum piston). Claims 1 and 2 of application G and claim 11 of application H would be designated to correspond to count 1. Claim 3 of application G and claim 15 of application H would be designated to correspond to Count 2.

Example 5: Application J contains patentable claims 1 (engine), 2 (combination of an engine and a carburetor) and 3 (combination of an engine, a carburetor, and a catalytic converter). Application K contains patentable claims 31 (engine), 32 (combination of an engine and a carburetor), and 33 (combination of an engine, a carburetor, and an air filter). The engine, combination of an engine and carburetor, and combination of an engine, carburetor, and air filter define the same patentable invention. The combination of an engine, carburetor, and catalytic converter define a separate patentable invention from engine. If an interference is declared, there would be one count (engine). Claims 1 and 2 of application J and claims 31, 32, and 33 of application K would be designated to correspond to the count. Claim 3 of application J would not be designated as corresponding to the count.

Example 6: The PTO will continue to follow *Waldeck* v. *Lewis,* 120 USPQ 88 (Comm'r. Pat. 1955). Application L contains patentable claims 1 (Markush group of benzene or toluene), 2 (benzene), and 3 (toluene). Application M

contains patentable claim 11 (benzene). Benzene and toluene define the same patentable invention. If an interference is declared, there would be one count (Markush group of benzene or toluene). Claims 1, 2, and 3 of application L and claim 11 of application M would be designated to correspond to the count.

Example 7: Application N contains patentable claim 1 (benzene). Application P contains patentable claim 11 (xylene). Benzene and xylene define the same patentable invention. If an interference is declared, there would be one count (benzene or xylene). Claim 1 of application N and claim 11 of application P would be designated to correspond to the count.

Example 8: Application Q contains patentable claims 1 (Markush group of benzene or chloroform), 2 (benzene), and 3 (chloroform). Application R contains patentable claim 33 (benzene). If benzene and chloroform define the same patentable invention and an interference is declared, there would be one count (Markush group of benzene or chloroform). Claims 1, 2, and 3 of application Q and claim 33 of application R would be designated to correspond to the count. If chloroform defines a separate patentable invention from benzene and an interference is declared, there would be one count (benzene). Claims 1 and 2 of application Q and claim 33 of application R would be designated to correspond to the count. Claim 3 of application Q would not be designated to correspond to the count.

Example 9: Application S contains patentable claims 1 (Markush group of benzene or chloroform), 2 (benzene), and 3 (chloroform). Application T contains patentable claims 11 (Markush group of benzene or chloroform), 12 (benzene), and 13 (chloroform). If benzene and chloroform define the same patentable invention and an interference is declared, there would be one count (Markush group of benzene or chloroform). Claims 1, 2, and 3 of application S and claims 11, 12, and 13 of application T would be designated to correspond to the count. The PTO will continue to adhere to *Becker* v. *Patrick,* 47 USPQ 314 (Comm'r. Pat. 1939). An interference can have two counts only if one count defines a separate patentable invention from another count. If chloroform defines a separate patentable invention from benzene and an interference is declared, there would be two counts: Count 1 (benzene) and Count 2 (chloroform). Claims 1 and 2 of application S and claims 11 and 12 of application T would be designated to correspond to Count 1. Claims 1 and 3 of application S and claims 11 and 13 of application T would be designated to correspond to Count 2.

Example 10: Patent A contains claim 1 (engine). Application U contains patentable claim 11 (engine). If an interference is declared, there would be one count (engine). Claim 1 of patent A and claim 11 of application U would be designated to correspond to the count.

Example 11: Patent B contains claims 1 (engine) and 2 (6-cylinder engine). Application V contains patentable claim 8 (engine). An engine and a 6-cylinder engine define the same patentable invention. If an interference is declared, there would be one count (engine). Claims 1 and 2 of patent B and claim 8 of application V would be designated to correspond to the count.

Example 12: Patent C contains claims 1 (engine), 2 (6-cylinder engine), and 3 (engine with a platinum piston). Application W contains patentable claims 11 (engine) and 12 (8-cylinder engine). Claims 1 and 2 of patent C and claims 11 and 12 of application W define the same patentable invention. Claim 3 of patent C defines a separate patentable invention from claims 1 and 2 of patent C and claims 11 and 12 of application W. If an interference is declared, there would be one count (engine). Claims 1 and 2 of patent C and claims 11 and 12 of application W would be designated to correspond to the count. Claim 3 of patent C would not be designated to correspond to the count.

Example 13: Patent D contains claims 1 (engine), 2 (6-cylinder engine), and 3 (engine with a platinum piston). Application X contains patentable claims 11 (engine) and 15 (engine with a platinum piston). Claims 1 and 2 of patent D and claim 11 of application X define the same patentable invention. Claim 3 of patent D and claim 15 of application X define a separate patentable invention from claims 1 and 2 of patent D and claim 11 of application X. If an interference is declared, there would be two counts: Count 1 (engine) and Count 2 (engine with a platinum piston). Claims 1 and 2 of patent D and claim 11 of application X would be designated to correspond to Count 1. Claim 3 of patent D and claim 15 of application X would be designated to correspond to Count 2.

Example 14: Patent E contains claims 1 (Markush group of benzene or toluene), 2 (benzene), and 3 (toluene). Application Y contains patentable claim 11 (benzene). Benzene and toluene define the same patentable invention. If an interference is declared, there would be one count (Markush group of benzene or toluene). Claims 1, 2, and 3 of patent E and claim 11 of application Y would be designated to correspond to the count.

Example 15: In this example, the claims of patent E and application Y in Example 14 are reversed. Patent E contains claim 1 (benzene). Application Y contains patentable claims 11 (Markush group of benzene or toluene), 12 (benzene), and 13 (toluene). If an interference is declared, the count would be the same as the count in Example 14--

(Markush group of benzene or toluene). Claim 1 of patent E and claims 11, 12, and 13 of application Y would be designated to correspond to the count.

Example 16: The PTO will continue to follow cases such as *Case* v. *CPC International, Inc.,* 730 F.2d 745, 221 USPQ 196 (Fed. Cir. 1984); *cert. denied,* 105 S.Ct. 233 (1984); *Aelony* v. *Arni,* 547 F.2d 566, 192 USPQ 486 (CCPA 1977); and *Nitz* v. *Ehrenriech,* 537 F.2d 539, 190 USPQ 413 (CCPA 1976), and declare interferences where interfering patent and application claims are mutually exclusive provided the claims define the same patentable invention. Patent F contains claim 1 (benzene). Application Z contains patentable claim 11 (xylene). Benzene and xylene define the same patentable invention. If an interference is declared, there would be one count (benzene or xylene). Claim 1 of patent F and claim 11 of application Z would be designated to correspond to the count.

Example 17: It will be the practice of the PTO under § 1.606 to initially declare interferences with counts which are identical to or broader than patent claims which correspond to the counts. A single patent claim would be presumed, subject to a motion under § 1.633(c), not to define separate patentable inventions. Patent G contains claims 1 (Markush group of benzene or chloroform), 2 (benzene), and 3 (chloroform). Application AA contains patentable claim 33 (benzene). If an interference is declared, initially it would be presumed by the PTO, subject to a later motion under § 1.633(c), that benzene and chloroform define the same patentable invention. There would be one count (Markush group of benzene or chloroform). Claims 1, 2, and 3 of patent G and claim 33 of application AA would be designated to correspond to the count. If a party believes benzene and chloroform define separate patentable inventions, that party could file a motion under § 1.633(c) to redefine the count and the claims corresponding to the counts.

Example 18: Patent H contains claims 1 (Markush group of benzene or chloroform), 2 (benzene)l, and 3 (chloroform). Application AB contains patentable claims 11 (Markush group of benzene or chloroform), 12 (benzene), and 13 (chloroform). Benzene and chloroform initially would be presumed, subject to a motion under § 1.633(c), to define the same patentable invention, because they are recited as a Markush group in a single patent claim. If an interference is declared, there would be one count (Markush group of benzene or chloroform). Claims 1, 2, and 3 of patent H and claims 11, 12, and 13 of application AB would be designated to correspond to the count. If a party believes benzene and chloroform define separate patentable inventions, the party could move under § 1.633(c) to substitute a count (benzene) for (Markush group of benzene or chloroform) and to add a count (chloroform). See Example 36.

Example 19: Under § 1.606, the PTO will continue to follow the practice announced in *Ex parte Card and Card,* 1904 Dec.Comm'r.Pat. 383 (Comm'r.Pat.1904). Patent J contains claim 1 (method of mixing, grinding, and heating). Application AC contains patentable claim 8 (method of mixing and heating) and does not disclose or claim a grinding step. In the context of the inventions disclosed in patent J and application AC, a method of mixing, grinding, and heating is the same patentable invention as a method of mixing and heating. Under current practice, it would be said that "grinding" is an "immaterial" limitation in claim 1 of patent J. Under § 1.606, the fact application AC does not disclose grinding would not preclude an interference. If an interference is declared, there would be one count (method of mixing and heating). Claim 1 of patent J and claim 8 of application AC would be designated to correspond to the count.

Under § 1.605, timely filing of an amendment presenting a claim suggested by the examiner for purposes of an interference would stay *ex parte* proceedings in the application in which the claim is presented pending a determination by the examiner of whether an interference will be declared. Also under § 1.605(a), when an examiner suggests a claim, the applicant will be required to copy verbatim the suggested claim. At the time the suggested claim is copied, however, the applicant may also (1) call the examiner's attention to other claims already in the application or which are presented with the copied claim and (2) explain why the other claims would be more appropriate to be included in any interference which may be declared.

Under § 1.607(b), when an applicant seeks an interference with a patent, e.g., by copying claims from the patent, examination of the application including any appeal would be handled with special dispatch within the PTO. "Special dispatch" would be construed to be the same as special dispatch in a reexamination proceeding. See 35 U.S.C. 305 .

Under § 1.608, the PTO will continue current practice (37 CFR 1.204(c)) of requiring an applicant seeking to provoke an interference with a patent to submit evidence which demonstrates that the applicant is *prima facie* entitled to a judgment relative to the patentee. Evidence would be submitted only when the earlier of the filing date or effective filing date of the application is more than three months after the earlier of the filing date or effective filing date under 35 U.S.C. 120 of the patent. The evidence may relate to patentability and need not be restricted to priority. When the evidence (1) consists of prior printed publications and patents and (2) shows that the claims of the application are not patentable, the claims in the application would be rejected and the applicant could file a request for reexamination of the patent.

Section 1.609 sets forth what an examiner shall forward to the Board when an interference is declared. For the most part, § 1.609 continues current practice. However, under § 1.609(b)(3), the examiner would identify all claims in an application which the examiner believes are patentable over the proposed counts. Thus, a claim in an application would either correspond to a count or would be indicatted as being patentable over the count. For instance, in Example 3, *supra,* the examiner would indicate that (1) claims 1 and 2 of application E and claims 11 and 12 of application F correspond to the count and (2) claim 3 of application E defines a separate patentable invention from the count.

Under § 1.610, each interference will be declared by an examiner-in-chief. The examiner-in-chief enters all interlocutory orders in the interference. As necessary, another examiner-in-chief may act in place of the examiner-in-chief assigned to the interference. At the discretion of the examiner-in-chief assigned to the interference, a panel of two or more examiners-in-chief may enter an interlocutory order. The examiner-in-chief will set times and control proceedings such that pendency of the interference normally will not exceed 24 months. Under § 1.610(d), the examiner-in-chief is authorized to hold conferences. Any conference can be by a telephone conference call. Under § 1.610(e), an examiner-in-chief is authorized to determine a proper course of conduct for any situation not specifically covered by the rules.

Under § 1.611(a), the PTO will normally notify each party at its correspondence address (37 CFR 1.33(a)) that an interference is declared. This practice will save the PTO the administrative burden of sending multiple notices as is required by the present rules. Under § 1.611(a), the PTO could, in an appropriate circumstance, also send a notice to a patentee or an assignee. An appropriate circumstance for sending an additional notice would be a situation where a patent was issued on the basis of an application filed under 37 CFR 1.47 . The matters to be specified in a notice declaring an interference are set out in § 1.611(c). One item to be set out is the "order of the parties," meaning the order in which the parties will take testimony. If Jones is the junior party and Smith is the senior party, the order of the parties is: Jones v. Smith. The order of the parties may change as a result of the granting of a motion under § 1.633(d), (f), or (g). Under § 1.611(d), the notice declaring the interference may also set dates for filing preliminary statements, notices that preliminary statements have been filed, motions under § 1.633, oppositions to those motions, and replies to the oppositions. Alternatively, an examiner-in-chief may set those times in a separate order before or after consultation with counsel for the parties. Under § 1.611(e), the PTO may place a notice in the *Official Gazette* each time an interference is declared involving a patent. The notice would make it easier for patent practitioners throughout the country to determine whether a given patent is or has been involved in an interference.

Under § 1.612, except for affidavits under § 1.131 and any evidence and explanation under § 1.608(b) filed separate from an amendment, each party shall have access to the file of every other party after an interference is declared. The files of applications and patents involved in an interference will be maintained in the Service Branch of the Board of Patent Appeals and Interferences for inspection and copying. Any explanation which is filed as part of an amendment or an amendment which discusses details contained in an affidavit under § 1.131 would not be sealed under § 1.612(a). Thus, § 1.612(a) continues the practice discussed in *Moorman* v. *Martin,* 103 USPQ 273 (Comm'r.Pat. 1950) and Calvert, *An Overview of Interference Practice,* 62 J. Pat. Off. Soc'y. 290, 293 (1980). Under § 1.612(b), each party will have access to an opponent's affidavit under § 1.131 or an opponent's evidence and explanation under § 1.608(b) when a decision is rendered on motions under § 1.633. Under § 1.612(c), a party would be required to serve any evidence and explanation under § 1.608(b) if an order to show cause is issued under § 1.617(a) and the party responds to the order under § 1.617(b). Under § 1.612(d), the parties may agree to exchange copies of their respective files.

Under § 1.613(a), when a party has appointed more than one attorney or agent of record, the party may be required to designate a "lead" attorney or agent. A lead attorney or agent would be a registered attorney or agent of record who is primarily responsible for prosecuting an interference on behalf of a party and is the individual whom an examiner-in-chief can contact to set times and other action in the interference. Section 1.613(b) continues the practice of not permitting the same attorney or agent to represent two or more parties in an interference except as permitted by Chapter 1, see e.g., § 1.344. Under § 1.613(c), an examiner-in-chief can make an appropriate inquiry to determine whether an attorney or agent should be disqualified from representing a party. A final decision to disqualify an attorney or agent is made by the Commissioner under 35 U.S.C. 32 .

Section 1.614 specifies when the Board gains jurisdiction over an interference. The section also indicates when an interference becomes a contested case within the meaning of 35 U.S.C. 24 . A remand to the examiner is authorized and may be useful in certain situations, such as, when a party moves under § 1.633(c) to add a proposed count which is broader than any count in an interference. Alternatively, an examiner-in-chief would be able to obtain informal opinions from examiners during the course of an interference. Nothing in the rules, however, is intended to authorize informal

conferences between an examiner-in-chief and an examiner with respect to the merits of an application before the board in an *ex parte* appeal from an adverse decision of the examiner.

Section 1.616 permits an examiner-in-chief or the Board to impose appropriate sanctions against a party who fails to comply with the rules or with an order entered in the interference. Paragraphs (a) through (e) set forth some of the possible sanctions which can be entered. The particular sanction to be entered would depend on the facts of a given case and ordinarily would not be entered prior to giving the affected party an opportunity to present its views. An individual examiner-in-chief could not impose sanction granting judgment inasmuch as entry of a judgment requires action by the Board. See § 1.610(a). A party desiring sanctions imposed against an opponent could move under § 1.635 for entry of an order imposing sanctions.

Section 1.617 retains summary judgment proceedings in those cases where a junior party applicant is required to file evidence and an explanation under § 1.608(b). To avoid summary judgment, the junior party applicant must establish that it is *prima facie* entitled to judgment relative to the senior party patentee. For the most part, practice under § 1.617 will be the same as the current practice under 37 CFR 1.228 . The major changes would be the following: (1) A *prima facie* case could be based on patentability as well as priority. (2) A stricter standard would be imposed for presenting additional evidence after entry of an order to show cause. Under current practice (37 CFR 1.228), additional evidence may be submitted with a response to an order to show cause "when a showing in excuse of ... [its] omission from the original" showing is made. The "good cause" showing required by § 1.617(b) imposes a stricter standard than was required under the prior rules. The stricter standard is necessary to encourage applicants copying claims from a patent to better prepare their initial showings under proposed § 1.608(b). Under current practice, the Board of Patent Interferences has found that substantial time is lost in issuing orders to show cause based on an inadequate initial showing only to have an adequate showing made with the response to the order to show cause. Under the "good cause" standard, ignorance by a party or counsel of the provisions of the rules or the substantive requirements of the law would not constitute good cause. (3) When an interference involves more than two parties, all opponents would be permitted to participate in summary judgment proceedings. Thus, the new rules overrule *Chan* v. *Akiba* v. *Clayton,* 189 USPQ 621 (Comm'r. Pat. 1975). (4) Currently, an applicant must file two copies of its initial showing under 37 CFR 1.204(c) . Under § 1.608(b), a party would file only one copy of the showing. However, any party responding to an order to show cause would be required to serve a copy of its initial showing under § 1.608(b) with any response to the order to show cause. (5) A single examiner-in-chief may order an interference to proceed after issuance of an order to show cause under § 1.608(b) and the filing of a response by an applicant under § 1.617(b). Only the Board, however, may enter a summary judgment. See § 1.617(b).

Under § 1.618, the PTO has authority to return to a party any paper presented in an interference which is not authorized by, or is not in compliance with the requirements of, Subpart E. When an improper paper is filed, a party may be given an opportunity to file a proper paper under such conditions as an examiner-in-chief may deem appropriate: Two examples of improper papers are: (1) Replies to replies which are not authorized by the rules and (2) papers presented which have attached thereto a paper previously filed in the interference.

Sections 1.621 through 1.629 govern preliminary statements which continue to be required in interference cases.

Under § 1.621, a preliminary statement can be signed by any individual having knowledge of the facts (e.g., the inventor) or by an attorney or agent of record. Permitting an attorney or agent of record to sign a preliminary statement eliminates unnecessary mailing of papers between parties and their attorney or agent.

Under § 1.622, the preliminary statement would identify the inventor who made the invention defined by each count. If the inventor identified in the preliminary statement is not an inventor named in the application or patent involved in the interference, a motion under § 1.634 must be diligently filed to correct inventorship.

Sections 1.623, 1.624, and 1.625 respectively set out the allegations which should be made in, and the attachments which should accompany, a preliminary statement when (1) the invention was made in the United States, (2) the invention was made abroad and was introduced into the United States, and (3) derivation by an opponent from a party is to be an issue.

Section 1.626 permits a party to file a preliminary statement which states that the party only intends to rely on the filing date of an earlier United States or foreign application. Ordinarily, a junior party who fails to file a preliminary statement is not entitled to access to any other preliminary statement filed (see § 1.631(b)). Section 1.626 would permit a junior party who only intends to rely on an earlier application to have access to any opponent's preliminary statement.

Section 1.628 sets out how an error in a preliminary statement may be corrected.

Section 1.629 sets out the effect of a preliminary statement. A party who fails to file a preliminary statement will not be permitted to prove (1) that the party made the invention defined by a count prior to the party's filing date or (2) that an opponent derived the invention from the party.

Under § 1.631, preliminary statements normally will be opened for inspection when an examiner-in-chief decides preliminary motions filed under § 1.633. A junior party who does not file a preliminary statement is not entitled to access to a preliminary statement of any other party. When an interference is terminated before preliminary statements are opened, any preliminary statement which has been filed will be returned unopened to the party who submitted the statement.

Under § 1.632, a notice must be filed by a party who intends to argue that an opponent abandoned, suppressed, or concealed an actual reduction to practice. 35 U.S.C. 102(g) . A party will not be permitted to brief (§ 1.656) or argue at final hearing (§ 1.654) that an opponent abandoned, suppressed, or concealed an actual reduction to practice unless the notice is timely filed. A notice is timely if filed within ten (10) days of the close of the testimony-in-chief period of an opponent. While a party has the burden of proving that an opponent abandoned, suppressed, or concealed, the burden may be discharged on the basis of the opponent's evidence alone. *Shindelar* v. *Holdeman,* 628 F.2d 1337, 207 USPQ 112 (CCPA 1980). See also *Correge* v. *Murphy,* 705 F.2d 1326, 217 USPQ 753 (Fed. Cir. 1983); *Horwath* v. *Lee,* 564 F.2d 948, 195 USPQ 701 (CCPA 1977); and *Peeler* v. *Miller,* 535 F.2d 647, 190 USPQ 117 (CCPA 1976). Under current practice where notice is not required, it is possible that a party may learn for the first time that abandonment, suppression, or concealment is an issue when the party receives an opponent's brief at final hearing. See *Klug* v. *Wood,* 212 USPQ 767, 771 n. 2 (Bd.Pat.Int. 1981). At that point, it is often too late to reopen proceedings in the interference. The purpose of requiring the notice under § 1.632 is to make the parties and the Board aware during the interlocutory stage of an interference that abandonment, suppression, or concealment may be an issue in the interference. Early notice will permit the parties to ask for and the examiner-in-chief to set appropriate testimony periods for a party to present evidence related to abandonment, suppresion, and concealment, particularly in those cases where long unexplained delays tend to prove the allegation of suppression or concealment. Early notice will also eliminate the need for the party moving to reopen the testimony period. *Klug* v. *Wood, supra.*

Under § 1.633, a party may file preliminary motions for judgment, to redefine the interference, to substitute a different application in the interference, to declare an additional interference, to be accorded the benefit of an earlier application, to attack benefit previously accorded an opponent, or to add a reissue application to the interference. The motions are called "preliminary motions" in order to distinguish the motions from other motions which might be filed during the course of an interference. The preliminary motions would replace motions currently authorized by 37 CFR 1.231 .

Under § 1.633(a), a motion to dissolve would be replaced with a motion for judgment. A party can file a motion for judgment on the ground that an opponent's *claim* corresponding to a count is unpatentable to the opponent. With two exceptions, unpatentability can be based on prior art (35 U.S.C. 102, 103), insufficiency of disclosure (35 U.S.C. 112 , first paragraph), indefiniteness of claims (35 U.S.C. 112 , second paragraph), double patenting, estoppel, or any other ground which would support a holding that claims corresponding to a count are not patentable. The two exceptions are (1) priority of invention of the subject matter of a count by the moving party as against any opponent and (2) derivation of the subject matter of a count by the opponent from the moving party. The two exceptions are directed to issues which are traditional "priority" issues, e.g., which inventor made the invention defined by a count first or, when derivation is an issue, who made the invention. Resolution of those "priority" issues almost always requires the taking of testimony. A motion for judgment, however, would be proper when a party believed an individual not involved in the interference made the invention defined by the count prior to an opponent in the interference, but subsequent to the moving party. Thus, a patentability issue, such as that raised under 35 U.S.C. 102(g) in *Sutter Products Co.* v. *Pettibone Mulliken Corp.,* 428 F.2d 639, 166 USPQ 100 (7th Cir. 1970), properly could be raised with a motion for judgment under § 1.633(a). Derivation by an opponent from an individual not involved in the interference could also be raised under § 1.633(a).

Under § 1.633(b), a party could move for a judgment when the party believes there is no interference-in-fact. A motion for judgment on the ground of no interference-in-fact is only proper under one of three conditions: (1) When an interference involves designs, (2) when the interference involves plant applications or a plant application and plant patent, or (3) when no claim of a party which corresponds to a count is identical to any claim of an opponent which corresponds to that count. An example illustrates when a motion under § 1.636(b) is proper.

Example 20. Application AD contains patentable claim 1 (6-cylinder engine). Application AE contains patentable claim 3 (8-cylinder engine). An interference is declared with a single count (6 or 8-cylinder engine). Claim 1 of application AD and claim 3 of application AE are designated to correspond to the count. Applicant AD believes that a 6-cylinder engine is a "separate patentable invention" (see § 1.601(n)) from an 8-cylinder engine. Applicant AD would file a motion under § 1.633(b) for a judgment on the ground of no interference-in-fact stating why a 6-cylinder engine is patentably distinct from an 8-cylinder engine. If the Board ultimately agrees with applicant AD, a patent could issue to AD containing claim 1 of application AD and a second patent could issue to AE containing claim 3 of application AE.

Under § 1.633(c), a party may move to redefine interfering subject matter. One way to redefine interfering subject matter would be to add or substitute a count. When a party seeks to add a count, the party is required to demonstrate that the proposed count to be added is directed to a "separate patentable invention" from every other count in the interference.

A motion may be filed to amend an application claim which has already been designated to correspond to a count. See § 1.633(c)(2). Such a motion might be filed when a party believes an application claim designated to correspond to a count is unpatentable and the amended claim is believed to be patentable.

An applicant may move to add a claim to the applicant's application and to designate the claim to be added to correspond to a count. See § 1.633(c)(2). Such a motion may be filed when the applicant disclosed specific subject matter which is not claimed, would like to claim the subject matter, and wants the subject matter involved in the interference.

Another way to redefine interfering subject matter would be to designate a claim as corresponding or not corresponding to a count. See § 1.633 (c)(3) and (c)(4). Examples 21 and 22 illustrate this latter point.

Example 21. Application AF contains patentable claim 1 (engine). Patent K contains claims 3 (engine) and 5 (6-cylinder engine). Claim 1 of application AF and claim 3 of patent K are designated to correspond to the count. Applicant AF believes a 6-cylinder engine is the "same patentable invention" (see § 1.601(n)) as engine. Applicant AF would file a motion under § 1.633(c)(3) to designate claim 5 of patent K as corresponding to the count. If the motion is granted and applicant AF prevails in the interference, judgment would be entered against patentee K and both claims 3 and 5 of patent K would be cancelled under 35 U.S.C. 135(a) .

Example 22. Application AG contains1patentable claim 1 (engine). Patent L contains claims 3 (engine) and 5 (8-cylinder engine). An interference is declared with one count (engine). Claim 1 of application AG and claims 3 and 5 of patent L are designated to correspond to the count. Patentee L believes that an 8-cylinder engine defines a "separate patentable invention" (see § 1.601(n)) from engine. Patentee L should file a motion under § 1.603(c)(4) to designate claim 5 of patent L as "not corresponding" to the count. If the motion is granted and an adverse judgment is entered against patentee L, only claim 3 would be cancelled from the patent pursuant to 35 U.S.C. 135(a) .

A motion to redefine the interfering subject matter may also request that an opponent who is an applicant be required to add a claim to the opponent's application and to designate the claim to correspond to a count. See § 1.633(c)(5). Such a motion might be filed when a party sees that the opponent discloses, but does not claim, subject matter which the party believes should be involved in the interference.

Section 1.633(i) would continue present practice (37 CFR 1.231) of allowing a party to move to redefine the subject matter of the interference or substitute a different application when an opponent moves for judgment (see § 1.633(a) and (b)) or to attack benefit (see § 1.633(g)).

Paragraph (j) of § 1.633 will permit an opponent to move for benefit when a party moves to add or substitute a count. Thus, when a motion to add a count is filed by a party and an opponent wants benefit of an earlier application in the event the motion to add is granted, the opponent should file a motion under § 1.633(j) to be accorded benefit. The mere fact that the opponent had been accorded benefit of an earlier application when the interference was declared does not mean the opponent will be accorded benefit as to some other count which may be added on motion of some other party.

Section 1.634 authorizes a motion to correct inventorship in an application (see § 1.48) or a patent (see § 1.324) involved in an interference.

Section 1.635 authorizes the filing of motions other than those specified in § § 1.633 or 1.634. Motions filed under § 1.635 would be referred to as "miscellaneous motions" to distinguish from "preliminary motions" under § 1.633. Instances where a miscellaneous motion would be filed include motions to correct an error in a preliminary statement, to extend time for taking action or to seek judicial review, to obtain permission to proceed under 35 U.S.C. 24 , or to obtain additional discovery.

Section 1.636 sets out the times within which a motion would be filed.

Section 1.637 sets out the content of motions. In prior interference practice, parties and their counsel have had difficulty meeting all the "unwritten" requirements for motions under 37 CFR 1.231 . Section 1.637 is quite specific in setting out the requirements for each type of motion, particularly the preliminary motions. By setting out with specificity the requirements for each type of motion, it is intended to minimize disposition of motions on technicalities. A vast majority of the comments in response to the advanced notice published in the **Federal Register** on August 1, 1983, commenting on then proposed § 1.637 were in favor of the requirements for motions being specifically set out in the regulations.

Section 1.638 authorizes oppositions to motions. Any opposition would have to identify any material fact in dispute. A reply to an opposition would be authorized for all motions. A reply to a reply is not authorized.

Section 1.639 sets forth the evidence which may accompany a motion, opposition, or reply. Every material fact alleged in a motion, opposition, or a reply would have to be supported by proof. Section 1.639(b) authorizes affidavits to be used as proof for any motion. The affidavit may later be used by a party during the testimony period (see § § 1.671(e) and 1.672(b)). When a party believes that testimony is necessary to decide a motion under § 1.633 or § 1.634, the party would have to describe the nature of the testimony needed. If an examiner-in-chief agrees that testimony is needed, appropriate interlocutory relief would be granted and testimony would be ordered.

Example 23. An interference is declared with one count between application AH and application AJ. Applicant AH files a preliminary motion under § 1.633(c)(1) to redefine the interference by adding a second count. In order to succeed, applicant AH must show that the proposed count to be added is directed to a "separate patentable invention" (see § 1.601(n)) from the count already in the interference. In the motion, applicant AH sets forth in detail the testimony which would be required to prove that the subject matter of the proposed count is to a separate patentable invention from the subject matter of the count in the interference. Applicant AJ opposes the motion on the ground that the proposed and present counts define the "same patentable invention" (see § 1.601(n)). An examiner-in-chief determines that a material fact is in dispute and that applicant AH has established testimony is needed to properly rule on the motion. Under the circumstances, the motion would be deferred to final hearing and a testimony period would be ordered. The questions of (1) whether the proposed and present counts define the same patentable invention and (2) priority would be decided at final hearing.

Under § 1.640, an examiner-in-chief would decide all motions. A hearing could be held on a motion in the discretion of an examiner-in-chief. Where appropriate, an examiner-in-chief could consult with an examiner on a question of patentability which arises in the first instance in the interference. Consultation would not be necessary where the examiner had already ruled on the patentability question which comes before the examiner-in-chief or the Board. Moreover, nothing in § 1.640 authorizes conferences between examiners-in-chief and examiners in *ex parte* appeals under 35 U.S.C. 134 from an adverse decision of an examiner. A party is entitled to request reconsideration of a decision on a motion by a single examiner-in-chief. An opposition to a request for reconsideration could not be filed unless ordered by an examiner-in-chief or the Board, but the decision by the single examiner-in-chief would not normally be modified unless an opposition has been requested. The request for reconsideration would be acted on by a panel of the Board consisting of at least three examiners-in-chief, one of whom would normally be the examiner-in-chief who decided the motion. Several comments were received in response to the advance notice questioning why the examiner-in-chief who decided the motion would form part of the panel deciding the request for reconsideration. The decision to propose, and now adopt, a regulation which would permit the examiner-in-chief who decided the motion to participate in the decision on reconsideration was made after careful balancing of all the factors involved. It could have been proposed to permit the examiner-in-chief to individually decide the request for reconsideration. However, it is believed that parties in interference cases would feel that their requests for reconsideration are being more fully considered if more than one person considers their request. The two additional examiners-in-chief would be able to consult with the examiner-in-chief most familiar with the case, but would be able to control the decision on reconsideration by a majority vote. Use of the examiner-in-chief who decided the motion and two additional examiners-in-chief would (1) minimize delay which would occur if three new examiners-in-chief were used who were unfamiliar

with the record and (2) minimize the possibility that reversible error occurred if only the examiner-in-chief who decided the motion also individually decided the request for reconsideration.

Under § 1.644, petitions to the Commissioner are authorized in interference cases under certain restricted conditions. Petitions in interferences have been the source of substantial delay. Section 1.644 attempts to minimize those delays. Section 1.644 authorizes a petition to the Commissioner from a decision of an examiner-in-chief or a panel when the examiner-in-chief or the panel shall be of the opinion (1) that the decision involves a controlling question of procedure or an interpretation of a rule as to which there is a substantial ground for a difference of opinion and (2) that an immediate decision on petition would materially advance the ultimate termination of the interference. The standard is intended to be analogous to that of a district court certifying a question to a court of appeals under 28 U.S.C. 1292(b) . A petition could be filed seeking to invoke the supervisory authority of the Commissioner. However, the petition could not be filed prior to entry of judgment and could not relate to the merits of priority or patentability or the admissibility of evidence under the Federal Rules of Evidence. A petition could also be filed seeking waiver of a rule. A fee of $ 120 would be charged for each petition and for each request for reconsideration of a decision on petition. Any petition would be decided on the record made before the examiner-in-chief or the Board and additional evidence could not be submitted with the petition. An opposition could not be filed unless ordered by the Commissioner. Where reasonably possible, service of a petition would have to be such that delivery is accomplished within one day. Service by hand or "Express Mail" would comply with this requirement.

Section 1.645 permits a party to file a motion to seek an extension of time to take action in an interference or to seek judicial review. The motion would have to be filed within sufficient time to actually reach an examiner-in-chief prior to expiration of the time for taking action. Under § 1.645, a moving party would not be able to assume that a motion for an extension of time would be granted. Under § 1.610(d)(6), a request for an extension of time could be made orally and an appropriate order would then be entered thus eliminating considerable paper work. The order would be the written record of the request and decision. See § 1.2. Extensions of time have caused numerous delays in interference cases. Under present interference practice, some delays are caused because attorneys and agents on many occasions unexpectedly receive orders setting times. Under the new practice, attorneys and agents can expect times to be set for filing preliminary statements, preliminary motions, motions for additional discovery, testimony, and briefs after a conference call. It is expected that use of conference calls will permit an examiner-in-chief and attorneys or agents for parties to set a time schedule which is mutually satisfactory. A motion to extend time would not be granted unless a party shows good cause. The use of conference calls would allow schedules to be set before orders setting time are entered and therefore the press of other business which arises after the examiner-in-chief and attorneys and agents agree to times would not normally be considered good cause.

Under § 1.647, when a party relies on a document in a foreign language, an English language translation of the document and an affidavit attesting to the accuracy of the translation would be required. The rule would apply to any document, including evidence submitted with motions, foreign applications for which a party seeks benefit, testimony, and exhibits introduced in evidence during testimony.

Under § 1.651, after a decision is entered on preliminary motions, an examiner-in-chief would set times for filing motions for additional discovery and for taking testimony. Any motion for additional discovery would be to obtain answers to interrogatories, requests for admissions, and documents and things necssary for a party to prepare its case-in-chief.

Section 1.653 sets out what shall be in the record to be considered by the Board at final hearing. The record would continue to be printed or typed on paper 8 1/2 " by 11" in size. Accordingly, when a party files an affidavit, the party should use 8 1/2 " by 11" paper for the affidavit.

Section 1.654 continues the practice of holding a final hearing where oral argument may be presented by all parties. No fee would be charged for appearing at oral argument at final hearing in an interference.

Section 1.655 specifies the matters which can be considered in rendering a final decision. Patentability is an issue which may be raised. The Board can also consider whether any interlocutory order was manifestly erroneous or an abuse of discretion, although any interlocutory order would be presumed to be correct and burden of showing error shall be on the party attacking the order. This last procedural provision permits the Board to correct any manifest error before a party seeks judicial review of an interlocutory order along with judicial review of the Board's final decision.

Section 1.656 sets forth the requirements for briefs for final hearing. In large measure, § 1.656 follows the requirements of Rule 28 of the Federal Rules of Appellate Procedure . An original and three copies of a brief is

required. Under § 1.656(h), if a party wants the Board in rendering its final decision to rule that any evidence is inadmissible, the party must file with its opening brief an original and three copies of a motion to suppress the evidence. Any previous objection to the admissibility of evidence is waived unless the motion to suppress is filed. This procedural provision makes clear that an objection to the admissibility of evidence must be renewed at final hearing and will be considered by the Board in rendering its final decision. When a junior party fails to file a brief, an order can be issued requiring the junior party to show cause why failure to file the brief should not be taken as a concession of priority.

Under 1.658 the Board would enter a final decision. The decision can (1) enter judgment, in whole or in part, (2) remand the interference to an examiner-in-chief or (3) take further action not inconsistent with law. A judgment as to a count shall state whether or not each party is entitled to a patent containing claims which correspond to the count. When judgment is entered as to all counts, the decision of the Board is considered final for the purpose of judicial review. Section 1.658(c) defines the doctrine of interference estoppel as it is to be applied in the PTO after an interference is terminated. The definition of interference estoppel is designed to encourage parties in interference cases to settle as many issues as possible in one proceeding. Section 1.658(c) creates an estoppel both as to senior and junior parties unlike the present practice (37 CFR 1.257) which limits estoppel in some instances to junior parties. An estoppel would *not* apply with respect to any claims which correspond, or which properly could have corresponded to a count as to which the party was awarded a favorable judgment. A few examples illustrate how estoppel would be applied.

Example 24. Junior party applicant AL and senior party applicant AK both disclose separate patentable inventions "A" and "B" and claim only invention A in their respective applications. An interference is declared with a single count to invention A. Neither party files a preliminary motion (see § 1.633(c)(1)) to add a count to invention B. Judgment as to all of AL's claims corresponding to the sole count is awarded to junior party applicant AL. Senior party applicant AK would be estopped to thereafter obtain a patent containing claims to invention B, because applicant AK failed to move to add a count to invention B in the interference. Junior party applicant AL would not be estopped to obtain a patent containing claims to invention B.

Example 25. In this example, the facts are the same as in Example 24 except that judgment is awarded as to all AK's claims corresponding to the count to senior party applicant AK. Junior party applicant AL would be estopped to obtain a patent containing claims to invention B in the interference. Senior party applicant AK would not be estopped to obtain a patent containing claims to invention B.

Example 26. Junior party applicant AM and senior party applicant AP both disclose separate patentable inventions "C", "D", and "E" and claim inventions C and D in their respective applications. An interference is declared with two counts. Count 1 is to invention C and Count 2 is to invention D. Neither party files a preliminary motion to add a proposed Count 3 to invention E. Judgment as to all AM's claims corresponding to Counts 1 and 2 is awarded to junior party applicant AM. Senior party applicant AP would be estopped to thereafter obtain a patent containing claims to invention E, because applicant AP failed to move to add a count to invention E in the interference. Junior party applicant AM would not be estopped to obtain a patent containing claim to invention E.

Example 27. In this example, the facts are the same as in Example 26 except that judgment is awarded as to all AP's claims corresponding to Counts 1 and 2 to senior party applicant AP. Junior party applicant AM would be estopped to obtain a patent containing claims to invention E, because applicant AM failed to move to add a count to invention E in the interference. Senior party applicant AP would not be estopped to obtain a patent containing claims to invention E.

Example 28. In this example, the facts are the same as in Example 26 except that judgment is awarded on all of AM's claims corresponding to Count 1 to junior party applicant of AM and judgment is awarded on all AP's claims corresponding to Count 2 to senior party applicant AP. Both parties would be estopped to obtain a patent containing claims to invention E, because neither moved to add a count to invention E during the interference. Assume that junior party AM could have properly moved under § 1.633(f) to be accorded the benefit of an earlier application, but did not do so during the interference. Junior party AM would not be estopped in subsequent *ex parte* prosecution from asking for benefit of the earlier application as to the invention defined by Count 1. Accordingly, if the examiner were to reject junior party AM's claim corresponding to Count 1 on the basis of some newly discovered prior art, junior party AM could properly antedate the prior art by seeking the benefit under 35 U.S.C. 120 of the earlier application. Thus, even though junior party AM was a "losing party" as to Count 2 (an adverse judgment as to junior party AM's claims corresponding to Count 2 having been entered), junior party AM was awarded a favorable judgment (§ 1.658(c)) as to Count 1. Junior party AM would be estopped in subsequent *ex parte* prosecution from attempting to be accorded the benefit of the earlier application as to the invention of Count 2.

Example 29. Applicant AQ discloses and claims invention "F." Applicant AR discloses and claims separate patentable inventions "F" and "G." The assignee of applicant AQ also owns an application AS which discloses and claims invention "G." An interference is declared between applicant AQ and applicant AR. The sole count is directed to invention F. No motion is filed by applicant AQ or its assignee to declare an additional interference between applicant AR and applicant AS with a count to invention G. A judgment as to all of AR's claims corresponding to the sole count is awarded to applicant AR. Applicant AS and the assignee would be estopped to obtain a patent containing claims to invention G, because applicant AR and the assignee failed to move to declare an additional interference with a count to invention G.

Example 30. The facts in this example are the same as the facts in Example 29 except that judgment as to all of AQ's claims corresponding the sole count is awarded to applicant AQ. Applicant AS and the assignee would not be estopped, because applicant AQ was not a "losing party" (§ 1.658(c)).

Example 31. Applicant AT discloses a generic invention to "solvent" and a species to "benzene." Application AT contains a patentable claim 1 (solvent) and no other claims. Applicant AU discloses the generic invention to "solvent" and species to "benzene" and "toluene." Application AU contains patentable claim 3 (solvent) and no other claims. An interference is declared with a single count (solvent). Claims 1 of application AT and claim 3 of application AU are designated to correspond to the count. No preliminary motions are filed. A judgment is entered in favor of applicant AT on the claim corresponding to the sole count. Applicant AU would be estopped to obtain a patent containing a claim to benzene, because applicant AU failed to file a preliminary motion under § 1.633(c)(1) seeking to add a count to benzene and benzene was disclosed in winning party AT's application. Applicant AU would also be estopped to obtain a patent containing a claim to toluene, unless "toluene" defines a "separate patentable invention" from "solvent." A basis for interference estopped (§ 1.658(c)) exists if "toluene" and "solvent" define the "same patentable invention," because a claim to "toluene" could properly have been added and designated to correspond to the count. See § 1.633(c)(2).

Under § 1.659, the Board would be able to make recommendations to examiners and the Commissioner, including recommendations that application claims not involved in the interference be rejected and that a patent be reexamined as to patent claims not involved in the interference.

Under § 1.660, a party would be required to notify the Board when the party's patent or application becomes involved in other PTO proceedings (reexamination, reissue, or protest) or litigation.

Section 1.661 sets forth when an interference is considered terminated after a judgment is entered in the interference. For the purpose of filing copies of settlement agreements, an interference is considered terminated when the time for all appeals has expired. *Tallent* v. *Lemoine,* 204 USPQ 1058 (Comm'r.Pat. 1979). See also *Nelson* v. *Bowler,* 212 USPQ 760 (Comm'r.Pat. 1981).

Section 1.662 provides that a party may request that an adverse judgment be entered. The section also provides that when a written disclaimer (not a statutory disclaimer), concession of priority or unpatentability, abandonment of the invention, abandonment of an application, or abandonment of the contest is filed the disclaimer, concession, or abandomnent would be treated as a request for entry of an adverse judgment. Section 1.662(b) provides that when a patentee files a reissue application and omits all claims of a patent corresponding to the counts of an interference for the purpose of avoiding the interference, judgment would be entered against the patentee. Under § 1.662(c), the filing of a statutory disclaimer would not be treated as a request for entry of an adverse judgment unless all patent claims corresponding to a count are disclaimed. Under § 1.662(d), if after entry of a judgment or after filing of a statutory disclaimer no interference exists, the interference would be terminated as to any party against whom judgment has not been entered and any further prosecution of any application involved in the interference would be *ex parte* before the examiner.

Section 1.666 sets out the procedure for filing settlement agreements in interference cases. the PTO is merely a repository for copies of agreements filed under 35 U.S.C. 135(c) and does not undertake to rule on whether the statute requires that a copy of any particular agreement be filed. *Nelson* v. *Bowler,* 212 USPQ 760 (Comm'r.Pat. 1981).

Section 1.671 sets out what would be considered evidence. The Federal Rules of Evidence, with certain exceptions, are made applicable to interference cases. Under § 1.671(e), a party cannot rely on a previously filed affidavit unless the affidavit is served and notice is given that the party intends to rely on the affidavit. The purpose for the notice is to permit an opponent to determine whether a deposition for cross-examination is necessary (see § § 1.672(b) and 1.673(e)).

Section 1.671(e) is intended to overrule prior construction of PTO rules in *Holmes* v. *Kelly,* 586 F.2d 234, 237 n. 7, 199 USPQ 778, 782 n. 7 (CCPA 1978) and *Brecker* v. *Jennings,* 204 USPQ 663 (Bd.Pat.Int. 1978), which considered a Rule 132 affidavit in the file of an involved application to be part of the "record" in an interference. Under § 1.671(e), a party intending to rely on such an affidavit must give notice and serve a copy of the affidavit on the opponent.

Under § 1.671(f), the significance of ducumentary and other exhibits must be discussed with particularity by a witness during oral deposition or in an affidavit. Section 1.671(f) sets out in the regulations an evidentiary requirement imposed by precedent. See *Popoff* v. *Orchin,* 144 USPQ 762 (Bd.Pat.Int. 1963) (unexplained experimental data should not be considered); *Chandler* v. *Mock,* 150 F.2d 563, 66 USPQ 209 (CCPA 1945) (records standing alone were held to be meaningless), and *Smith* v. *Bousquet,* 111 F.2d 157, 45 USPQ 347 (CCPA 1940) (unexplained tests in stipulated testimony are entitled to little weight). See also *In re Borkowski,* 505 F.2d 713, 184 USPQ 29 (CCPA 1974) and *Triplett* v. *Steinmayer,* 129 F.2d 869, 54 USPQ 409 (CCPA 1942). Under § 1.671(g), a party is required to obtain permission from an examiner-in-chief prior to proceeding under 35 U.S.C. 24 . This requirement insures that a subpoena is necessary (e.g., a subpoena ordinarily should not be necessary where testimony of an opponent is sought) and that testimony sought through a section 24 subpoena is relevant before a subpoena is issued. The motion seeking permission to proceed under section 24, any opposition thereto, and the order of an examiner-in-chief authorizing the moving party to proceed under section 24 will be of assistance to a federal court in the event a party is required to resort to a court to enforce the subpoena or to compel answers to questions propounded at any deposition where a witness is appearing pursuant to a subpoena. See *Sheehan* v. *Doyle,* 529 F.2d 38, 188 USPQ 545 (1st Cir.), *cert. denied,* 429 U.S. 870 (1976), *rehearing denied,* 429 U.S. 987 (1976).

Under § 1.671(h), any evidence which is not taken or sought and filed in accordance with the regulations will not be admissible.

Section 1.672 sets forth the manner in which testimony shall be taken. Testimony can be taken by deposition or affidavit at the election of the party presenting the testimony. A party presenting testimony by affidavit must file and serve the affidavit. If the party presents testimony by affidavit and an opponent elects to cross-examine the affiant, the party is required to notice a deposition for the purpose of cross-examination. Re-direct and re-cross will take place at the deposition. Where the parties agree, testimony can be presented by affidavit without opportunity for cross-examination (see § 1.672(e)) or by an agreed statement of facts (see § 1.672(f)).

Section 1.673 sets out how a deposition must be noticed. A deposition can be noticed for any reasonable place in the United States. The extent to which parties, witnesses, and attorneys or agents have to travel may be considered in determining whether a place is reasonable. Prior to serving a notice for a deposition, a party is required to take two procedural steps. Under § 1.673(b), a party would be required to serve a copy of the documents and a list of the things in its possession, custody, and control upon which it intended to rely. Under § 1.673(g), the party is required to have an oral conference (in person or by telephone) with all opponents to attempt to agree on a mutually acceptable time and place for taking the deposition. An examiner-in-chief may set the time and place if agreement is not reached. A single notice listing all the witnesses and the general nature of their expected testimony is then served. Under § 1.673(c) and except as provided, a party can not rely on any witness not mentioned in the notice, any document not served, or any thing not listed. Under § 1.673(h), a copy of any notice must be attached to the certified transcript of each deposition filed.

Section 1.674 sets out the persons before whom depositions can be taken.

Section 1.675 sets out how a deposition is to be taken.

Section 1.676 sets out how a court reporter should prepare and file a certified transcript of a deposition. Section 1.676(d) sets out how exhibits are to be marked for identification, used at depositions, and filed. Provisions similar to those of Rule 30(f)(1)(A) and (B) of the Federal Rules of Civil Procedure are applicable to interferences.

Section 1.677 sets out the form of a transcipt of a deposition.

Under § 1.678, a transcript of a deposition must be filed in the PTO within 45 days of the date of the deposition.

Section 1.682 sets out how a party may introduce in evidence, if otherwise admissible, official records or printed publications.When a notice is served, a party is also required to serve (but not file) copies of the official records and printed publications. Any objection to the notice or to the admissibility of any official record or publication must be filed within 15 days of the date of service of the notice.

Section 1.683 sets out how a party may use testimony from another interference or proceeding.

Section 1.684 sets out how a party may take testimony in a foreign country.

Section 1.685 sets out how objections during the taking of depositions must be raised. Under § 1.685(a), an error in a notice of deposition is waived unless a motion to quash the notice is filed as soon as the error is, or could have been, discovered. Under § 1.685(b), any objection to the qualifications of an officer is waived unless (1) the objection is noted on the record of the deposition before a witness begins to testify or (2) if discovered after the deposition, a motion to suppress is filed as soon as the objection is, or could have been, discovered. Under § 1.685(c), any error in the manner in which testimony is transcribed, the transcript is signed by a witness, or the transcript is prepared or otherwise handled by the court reported is waived unless a motion to suppress is filed as soon as the error is, or could have been, discovered. Under § 1.685(d), any objection on the merits to the admissibility of evidence (e.g., under the Federal Rules of Evidence) is waived unless an objection is made on the record at the deposition stating the specific ground of objection. Often objections are cured by subsequent testimony. Accordingly, any objection which a party wants the Board to consider at final hearing must also be made the subject of a motion under § 1.656(h).

Section 1.687 sets out how a party could seek and obtain additional discovery. "Additional discovery" is defined in § 1.601(a). Section 1.687 does not change the standard ("interest of justice") for obtaining discovery.

Section 1.688 sets out how a party can introduce into evidence admissions and answers to interrogatories obtained as a result of additional discovery.

Changes in Text

Several changes have been made to the text of the proposed rules published in the **Federal Register** on January 30, 1984. The changes are discussed below. Additional rationale for the changes are further discussed under the heading "Analysis of Comments."

All references to the "Board of Appeals and Interferences" have been changed to "Board of Patent Appeals and Interferences" in view of Pub. L. 98-622 .

In § 1.11(a) the language "or after termination of an interference without an award of judgment" has been deleted. This change has been made in view of changes made in paragraphs (c) and (d) of § 1.662.

In response to comment, the fee required for a petition in an interference under § 1.644(e) and a request for reconsideration of a decision on petition in an interference under § 1.644(f) have been set out as separate items.

Section 1.136 was changed to refer to § 1.611 rather than § 1.610(a).

The following sentence was inadvertently omitted as the third sentence of § 1.138 in the notice of proposed rulemaking: "A registered attorney or agent acting under the provision of § 1.34(a), or of record, may also expressly abandon a prior application as of the filing date granted to a continuing application when filing such a continuing application." This sentence presently appears in § 1.138.

In 1.196(d), second sentence, "thirty days" has been changed to "one month".

In 1.197(b), "thirty days" has been changed to "one month".

In the last sentence of § 1.304, "The Commissioner" has been changed to "An examiner-in-chief" and "of a decision of the Board of Patent Appeals and Interferences in an interference case" has been inserted after "time for seeking judicial review." This change is made to limit the "excusable neglect" standard to interference cases only.

In § 1.601(j), the language "all the claims of a party which correspond" has been changed to read "at least one claim of a party which corresponds". The language "all the claims of an opponent which correspond" has been changed to read "at least one claim of an opponent which corresponds".

Section 1.605(a) has been changed by deleting from the third sentence the language "a claim which is the same or substantially the same as" and by adding the following sentence as the fourth sentence: "At the time the suggested claim is presented, the applicant may also (1) call the examiner's attention to other claims already in the application or which are presented with the suggested claim and (2) explain why the other claims would be more appropriate to be included in any interference which may be declared." In the second sentence, "30 days" has been changed to "one month".

In the last sentence of § 1.606, the language "to define one patentable invention" has been changed to read: "not to contain separate patentable inventions."

The word "and" has been inserted in § 1.607(a) before "(3)". The word "must" in the first sentence of § 1.607(c) has been changed to "shall" in response to a suggestion in a comment.

Pursuant to two separate suggestions, the following is being added after the first sentence in § 1.608(b): "Where the basis upon which an applicant is entitled to judgment relative to a patentee is priority of invention, the evidence shall include affidavits by the applicant, if possible, and one or more corroborating witnesses, supported by documentary evidence, if available, each setting out a factual description of acts and circumstances performed or observed by the affiant, which collectively would *prima facie* entitle the applicant to judgment on priority with respect to the earlier of the filing date or effective filing date of the patent. To facilitate preparation of a record (§ 1.653 (g) and (h) for final hearing, an applicant should file affidavits on paper which is 8 1/2 by 11 inches (21.8 by 27.9 cm.)."

In § 1.609(b)(1), the language "count or counts" has been changed to "proposed count or counts". In § 1.609(b)(2), each occurrence of "the count" has been changed to "each count".

In § 1.613(a), "§ 1.344" has been changed to "this Chapter." This change is being made to obviate the need to again amend § 1.613 in the event new rules relating to practice before the PTO are issued. See the notice of proposed rulemaking published in the **Federal Register** on August 24, 1984. 49 FR 33790, proposed § § 10.62 and 10.66. The language "or members of the same firm of attorneys or agents" has been added after "agent" in § 1.613(b).

In § 1.615(a), second sentence, "which are" has been deleted and "in the interference" has been added after "will not be entered or considered".

Several changes have been made in § 1.617. In § 1.617(a), the language "the interference shall proceed before the examiner-in-chief" has been changed to read: "the interference shall proceed in the normal manner under the regulations of this part". The second sentence of § 1.617(b) ("A response may include a request by the applicant for a hearing before the Board.") has been changed to read: "Any request by the applicant for a hearing before the Board shall be made in the response." This change was made to clarify when and how a hearing must be requested by the applicant. The second sentence of § 1.617(d) has been changed to read: "The statement may set forth views as to why summary judgment should be granted against the applicant, but the statement shall be limited to discussing why all the evidence presented by the applicant does not overcome the reasons given by the examiner-in-chief for issuing the order to show cause." Section 1.617(e) has been re-written as follows: "Within a time authorized by the examiner-in-chief, an applicant may file a reply to any statement filed by any opponent." The language "examiner-in-chief or the" has been added after "by the applicant is timely filed, the" in the first sentence of § 1.617(g). The language "Board decides that" has been deleted from the second sentence of § 1.617(g). The language "If the Board decides otherwise" has been replaced with "Otherwise" in the third sentence of § 1.617(g). The language "before the examiner-in-chief" in the third sentence of § 1.617(g) has been changed to read: "in the normal manner under the regulations of this part." These changes will authorize either an examiner-in-chief or a Board to authorize an interference to proceed under § 1.617(g). It will continue to be necessary for the Board to enter an order *granting* summary judgment. In the last sentence of § 1.617(h), "patentee" has been changed to "any opponent".

The language "the name of" has been deleted from the first sentence of § 1.622(a). The second sentence of § 1.622(a) in the notice of proposed rulemaking ("When an inventor identified in the preliminary statement is not identical to the inventor named in the party's application or patent, the party shall file a motion ... .") has been changed to read: "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 ... ." This change is being made in view of section 105(a) of Pub. L. 98-622 which amended 35 U.S.C. 116 to permit joint inventors to be named "even though ... (3) each did not make a contribution to the subject matter of every claim ... ."

The following changes have been made in § 1.623(c). In the first sentence, "copy of the drawing" has been changed to "copy of the first drawing". In the second sentence, "copy of the written description" has been changed to "copy of the first written description". In the third sentence, "when a drawing or written description" has been changed to "when a copy of the first drawing or first written description".

Several changes have been made to § 1.624. The following has been added as a second sentence in § 1.624(a)(5): "If an actual reduction to practice of the invention was not introduced into the United States, the preliminary statement shall so state." The following changes have been made in § 1.624(c). Each occurrence of "was made" has been changed to "was introduced into the United States." In the first sentence, "copy of the drawing" has been changed to "copy of that

drawing". In the second sentence, "copy of the written description" has been changed to "copy of that written description". In the third sentence, "a drawing or written description" has been changed to "a copy of the first drawing or first written description introduced in the United States".

The following changes have been made in § 1.625(c). In the first sentence, "copy of the drawing" has been changed to "copy of the first drawing". In the second sentence, "copy of the written description" has been changed to "copy of the first written description". In the third sentence, "a drawing or written description" has been changed to "a first drawing or first written description".

The language of § 1.628(b) which read: "because the drawing or written description is not in the party's possession, custody, or control, the party may file a motion ... to amend its preliminary statement promptly after it secures possession, custody, or control of a copy of the drawing or written description" has been changed to read as follows: "the party (1) shall show good cause and explain in the preliminary statement why a copy of the drawing or written description cannot be attached to the preliminary statement and (2) shall attach to the preliminary statement the earliest drawing or written description made in or introduced into the United States which is available. The party shall file a motion...to amend its preliminary statement promptly after the first drawing, first written description or drawing or written description first introduced into the United States becomes available."

The first sentence ("A preliminary statement should be carefully prepared.") has been deleted from § 1.629(a).

In § 1.629(b), the language "no earlier than" has been changed to "as early as".

In § 1.629(d), the following has been added after "allegation": "Unless the party complies with § 1.628(b)."

A new § 1.632 has been added to require a party to give timely notice of the party's intent to argue that an opponent has abandoned, suppressed, or concealed an actual reduction to practice. A companion change has been made to § 1.654.

Two changes have been made to § 1.633(c). Paragraph (c)(2) has been changed by adding thereto the following language: "Or adding a claim in the moving party's application to be designated to correspond to a count". In addition, in § 1.633(c), the "or" before "(4)" has been deleted and the following has been added to the end of the first sentence", or (5) requiring an opponent who is an applicant to add a claim and to designate the claim to correspond to a count."

Paragraph (j) has been added to § 1.633.

In § 1.636(b), "(i)" has been changed to "(i) or (j)" in view of the addition of paragraph (j) to § 1.633. The language "filed as soon as practical" in § 1.636(c) has been changed to "diligently filed" in order to conform § 1.636 to § 1.48. A party must exercise diligence in correcting inventorship. *Van Otteren* v. *Hafner,* 278 F.2d 738, 126 USPQ 151 (CCPA 1960).

Several changes have been made to § 1.637. The language "Where appropriate," has been deleted from the following paragraphs of § 1.637: (c)(1)(vi); (c)(2)(iv); (c)(3)(iii); (d)(4); (e)(1)(viii); (e)(2)(viii); and (h)(4). The following has been added in § 1.637(c)(2) before "shall": "or adding a claim to be designated to correspond to a count" The language "amended claim" in § 1.637(c)(2)(i) has been changed to read: "amended or added claim". The language "Apply the terms of each proposed claim to the disclosure of the application" in § 1.637(c)(2)(ii) has been changed to read: "Show that the proposed or added claim defines the same patentable invention as the count." The language "proposed amended claim" in § 1.637(c)(2)(iii) has been changed to read "amended or added claim."The language "adding the proposed claim" in § 1.637(c)(2)(iii) has been changed to read: "making the amended or added claim".

The word "interferences" in § 1.637(c)(4)(ii) has been corrected to read: "interference".

Subparagraph (c)(5) has been added to § 1.637.

The following has been added as the last sentence to § 1.637(f)(2): "If the earlier application filed abroad is not in English, the requirements of § 1.647 must also be met."

In paragraph § 1.637(f)(3), the language "discloses an embodiment with the scope" has been changed to read: "constitutes a constructive reduction to practice".

The first sentence, originally proposed in § 1.638(b) ("A reply to an opposition shall not be filed unless authorized by this subpart or an examiner-in-chief or the motion was filed under § § 1.633 or 1.634"), has been deleted. The language "any authorized reply" in § 1.638(b) has been changed to "a reply"

The language "or motion to correct inventorship under § 1.634" has been added to the first sentence of § 1.639(c) after "preliminary motion under § 1.633."

The following has been added after the first sentence of § 1.640(b)(1): "Failure or refusal of a party to timely present an amendment required by an examiner-in-chief shall be taken without further action as a disclaimer by that party of the invention involved." The fourth sentence of § 1.640(c) ("A request for reconsideration will ordinarily not be granted unless an opposition has been requested by an examiner-in-chief or the Board") has been changed to read: "A decision of a single examiner-in-chief will not ordinarily be modified unless an opposition has been requested by an examiner-in-chief or the Board." In the last sentence of § 1.640(c), the language "shall be decided by a panel" has been changed to read: "shall be acted on by a panel".

The word "application" in the paragraph heading and text of § 1.642 has been changed to read: "application or patent".

Three changes have been made in § 1.644. The following language has been added after "Commissioner" in § 1.644(a)(2): "and is not filed prior to the decision of the Board awarding judgment and does not relate to (i) the merits of priority of invention or patentability or (ii) the admissibility of evidence under the Federal Rules of Evidence". The following language has been deleted from the second sentence of § 1.644(b): "and shall not relate to (1) the merits of priority of invention or patentability or (2) the admissibility of evidence under the Federal Rules of Evidence". The language "A request for reconsideration will ordinarily not be granted unless" in the second sentence of § 1.644(f) has been changed to read: "The decision will not ordinarily be modified unless such".

Two changes have been made in § 1.645. The word "to" has been added before "file a notice of appeal" and "commence a civil action" in the first sentence of paragraph (a). The language, "accompanied by an affidavit," has been deleted from paragraph (b).

Three changes have been made to § 1.646. The word "service" has been added after "additional" in the third sentence of paragraph (b). The language "or except as otherwise provided by this part," has been added after "otherwise ordered by an examiner-in-chief," in paragraph (c). The language in paragraph (c) "paper may be made" has been changed to "paper shall be made". The word "time" has been changed to "date" in the last sentence of paragraph (e).

A new paragraph (c) has been added to § 1.654 to require that a party give timely notice of the party's intent to argue that an opponent has abandoned, suppressed, or concealed an actual reduction to practice. Section 1.632 specifies the time within which the notice shall be filed.

Three changes have been made in § 1.658. The language "paragraph (a) of the section" in the last sentence of § 1.658(b) has been changed to "paragraph (a) of this section". The "(i)" in the first sentence of § 1.658(c) has been changed to "(j)" in view of the addition of § 1.633(j). In the notice of proposed rulemaking, the second sentence of § 1.658(c) reads: "A party, other than a party awarded a favorable judgment as to all counts, who could have properly moved, but failed to move, under § § 1.633 or 1.634, shall be estopped to take *ex parte* or *enter partes* action in the Patent and Trademark Office after the interference which is inconsistent with the party's failure to properly move." This sentence has been changed to read: "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."

Several changes have been made in § 1.662. In § 1.662(a); the word "construed" has been changed to "treated." The first sentence of § 1.662(c) in the notice of proposed rulemaking read: "The filing of a statutory disclaimer under 35 U.S.C. 253 by a patentee will not be treated as a request for entry of an adverse judgment against the patentee, but will delete any statutorily disclaimed claims from being involved in the interference." That first sentence has been changed to read: "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." The second sentence of § 1.662(c) in the notice of proposed rulemaking read: "A statutory disclaimer of any claim involved in an interference shall in subsequent proceedings have the same effect with respect to the patentee as an adverse judgment." That second sentence has been changed to read: "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." In view of this change, proposed § 1.662(d) has been deleted as unnecessary, and a change has also been made in § 1.11(a) to delete any reference to a termination of an interference by any means other than judgment.

The last sentence of § 1.671(g) has been changed from "The motion shall describe the general nature and show the admissibility in the interference of the testimony, document, or thing" to: "The motion shall describe the general nature and the relevance of the testimony, document, or thing."

Three changes have been made to § 1.672(b). In the second sentence after "witness by affidavit shall" the following has been added: ", prior to the close of the party's relevant testimony period." The language "file an affidavit" has been changed to "file and serve an affidavit." The following has been added after the third sentence: "A party shall not be entitled to rely on any document referred to in the affidavit unless a copy of the document is filed with the affidavit. A party shall not be entitled to rely on anything mentioned in the affidavit unless the opponent is given reasonable access to the thing. A thing is something other than a document."

Several changes have been made in § 1.673(b). The introductory sentence of paragraph (b) ("Unless the parties agree otherwise, at least three days prior to the conference required by paragraph (g) of this section, a party shall serve, but not file, the following:") has been changed to read: "Unless the parties agree otherwise, a party shall serve, but not file, at least three days prior to the conference required by paragraph (g) of this section, if service is made by hand or "Express Mail," or at least ten days prior to the conference if service is made by any other means, the following:" In § 1.673(b)(1) the word "copy" has been changed to "list and copy."

In the last sentence of § 1.675(d), the language "signed by the witness in the presence of any notary" has been changed to read "signed by the witness in the form of (1) an affidavit in the presence of any notary or (2) a declaration." This change conforms § 1.675(d) to § 1.68.

In § 1.682(a)(4), ", where appropriate," has been added prior to "be accompanied" and "(§ 1.671(d))" has been added after "printed publication."

The word "admissible" in § 1.684(a)(4) has been changed to "relevant."

The following sentence has been deleted from § 1.687(b): "If the witness refuses to produce a requested document or thing, the party may file a motion (§ 1.635) for additional discovery under paragraph (c) of this section."

Section 1.688 has been revised to more clearly describe how a party may introduce in evidence an answer to a request for admission or an answer to a written interrogatory.

Analysis of Comments

Eighteen written comments were received. Three individuals testified at a hearing held on May 15, 1984. The following is an analysis of the written comments and the oral comments made at the hearing.

One comment suggested that § 1.8 not be amended to exclude from the certificate of mailing practice a paper in an interference which an examiner-in-chief orders to be filed by hand or "Express Mail." The comment argues that "[s]ome parties might not have an attorney in the Washington area or they may live in an area not serviced by Express Mail." The suggestion is not being adopted. Experience has shown that there are situations in interferences where it is desirable to have and the parties need a prompt ruling on a written motion. It is difficult for an examiner-in-chief to render a prompt ruling if the motion and any opposition are not promptly served and filed. In those situations where a party has no Washington, D.C. metropolitan area attorney or where a party resides in an area not served by "Express Mail," it may not be possible to hand-file or use "Express Mail." The examiner-in-chief would then exercise discretion by not invoking the exception of new subparagraph (xii) of § 1.8(a).

One comment suggested that it would be clearer if the fee for a petition in an interference and the fee for a request for reconsideration of a decision on petition in an interference were set out in § 1.17(h) as separate items. This suggestion has been adopted and the two fees have been set out in § 1.17(h) as separate items.

A suggestion was made that a reference be made in § 1.136 to § 1.611 rather than § 1.610(a). The suggestion is being adopted, because a reference to § 1.611 is believed to be more appropriate. Once an interference is declared involving an application, *ex parte* prosecution of the application is suspended and the applicant need not respond to any PTO action outstanding as of the date the interference is declared.

One comment made the following remark concerning § 1.196: "I do not understand the need or desire of the PTO to start the time to appeal to a Court from a PTO *final* decision on one claim, while PTO action is continuing on a second claim." As explained in the notice of proposed rulemaking (49 FR 3770, columns 2-3; 1039 O.G. 20-21; 1039 TMOG 20-21), when there are further proceedings before the examiner following a decision by the Board of Patent

Appeals and Interferences, judicial review is not appropriate. Hence, under § 1.196, the PTO will not start a time for seeking judicial review of a PTO decision on one claim while PTO action is continuing on another claim. The last sentences of § 1.196(b)(1) and § 1.196(d) authorize the Board to enter an order making its decision final as to one claim when remand proceedings as to another claim result in a favorable decision for the applicant. Section 1.196 is intended to eliminate piecemeal appeals.

With respect to § 1.292(c), one commentator said: "[a] party should be able to raise public use and [on] sale issues at any stage [of an interference proceeding] provided the issue is raised in a timely manner after learning of the use of sale." Public use and on sale issues are to be raised in interferences by way of a preliminary motion under § 1.633(a). If a motion under § 1.633(a) cannot be timely filed, a belated motion may be filed provided the moving party complies with the provisions of § 1.645(b). Whether or not a belated motion will be accepted where a public use or sale is discovered after the time for filing § 1.633(a) motions which has passed will manifestly depend on the facts of a given case.

One comment suggested that the language "speedy, and inexpensive" be deleted from the second sentence of the preamble of § 1.601. This suggestion is not being adopted. The second sentence of the preamble of § 1.601 provides that the rules "shall be construed to secure the just, speedy, and inexpensive determination of every interference." The provision is modeled in part after the second sentence of Rule 1 of the Federal Rules of Civil Procedure which states that the Federal Rules "shall be construed to secure the just, speedy, and inexpensive determination of every action." The "just, speedy, and inexpensive determination" provision of § 1.601 will prove useful in construing other provisions in the rules.

Two comments received which suggested a change in language in § 1.601(j). One comment correctly noted that "[i]f even one claim of each party defines the same patentable invention, there is an interference-in-fact." The comment went on to correctly note that "[t]he remaining claims can be disposed of by a motion under § 1.633(c)(4)." A second comment noted that under the definition proposed, all the claims of both parties corresponding to a count must define the same patentable invention. The comment went on to correctly note the intent of the PTO is, however, that an interference-in-fact exists if at least one of the claims of a party corresponding to a count defines the same patentable invention as one of the corresponding claims of an opponent. In view of the suggestions made in the two comments, § 1.601(j) has been changed to state that an interference-in-fact exists when at least one claim of a party which corresponds to a count and at least one claim of an opponent which corresponds to the count defines the same patentable invention.

Two comments were received which suggested that the language "earliest filing date" in § 1.601(m) be changed to read "earliest effective filing date." The suggestion is not being adopted. Section 1.601(m) defines "senior party." The definition of "senior party" in § 1.601(m) is consistent with current practice and is intended to codify current practice. In an interference where there are no benefit applications, the "senior party" is the party with the earliest "filing date." There are interferences where a party may be "senior" with respect to a first count based on the filing dates of the applications involved in the interference and "junior" with respect to a second count because the opponent is entitled to benefit of an earlier application as to the second count only. Under these circumstances in the past, the PTO has designated the party who is "senior" based on the filing dates of the applications involved as the "senior party." The designation of the party as "senior party" is for procedural purposes only, i.e., setting who takes testimony first, and does not affect which party has the burden of proof. Section 1.601(m) preserves this past practice.

Comments were received regarding § 1.601(n) which defines "same patentable invention" and "separate patentable invention." One written comment suggested that § 1.601(n) be deleted. The commentator appeared at the hearing and also urged orally that § 1.601(n) be deleted. The suggestion is not being adopted. In view of the nature of the comment and the importance of the definitions in § 1.601(n), the written comment is reproduced in its entirety:

Comment: The paragraph to be deleted contains an explicit definition of both "same patentable invention" and "separate patentable invention". It requires application of a two-prong test for determining "sameness" or "separateness". Two inventions are considered to be the "same patentable invention" when they are the same under 35 U.S.C. 102 or obvious variants under 35 U.S.C. 103 when one is considered as "prior art" with respect to the other. Application of this standard may lead to results which are anomalous or in conflict with statutory requirements if, as the proposed rules apparently assume, the award of priority as to counts embodying "separate patentable inventions" will inherently and finally resolve the question of entitlement to a patent as between the parties on involved claims corresponding to those counts. Three specific problems with the definition of Rule 601(n) have been identified as follows:

(1) If the standard of separate patentability as between two counts is applied on a mutual basis (i.e., Invention A must be separately patentable from Invention B considered as prior art and Invention B must be separately patentable from Invention A considered as prior art), then the conduct of interferences with separate counts directed to both a generic invention and an included specific embodiment thereof (i.e., a species) are frustrated. If, however, such mutuality is not applied (i.e., if Invention A is the existing count, then a count directed to Invention B is proper so long as Invention B would be considered patentable over Invention A as prior art), then a number of irreconcilable anomalies in count modification through preliminary motions practice will be manifest.

(2) "Separate patentability" as a non-obviousness issue is in every context *except* interference practice before the PTO determined with finality only when an *affirmative* determination has been reached or the applicant *elects* to discontinue further prosecution of any applications embodying the invention or to admit obviousness. Because in the ex parte context an applicant may continue to marshal additional evidence supportive of non-obviousness until separate patentability over a prior art invention has been established, "separate patentability" is always a fluid concept where ultimate resolution can neither be predicted nor foreclosed. On certain cases interference proceedings under the proposed rules will be conducted and judgment rendered on the assumption of a lack of "separate patentability", which would ordinarily be subject to change or rebuttal as additional argument, evidence or other supportive activity of non-obviousness where marshalled. Thus, simply determining a proposed count is not yet "separately patentable" for the purposes of count formation ought not to foreclose post-interference reconsideration of separate patentability questions when the party proposing the count would not have been foreclosed on priority grounds.

(3) The underlying assumption that "separate patentability" is to be established under the proposed rules for one invention when a second invention is considered as "prior art" does not have any necessary correspondence to the *effect* of an adverse judgment in an interference on the question of priority. While a lost count in interference is not patentable to the loser, the lost count will be considered as "prior art" against the losing party only if the status of prior art for the purposes of 35 U.S.C. 103 is established by the record in the interference, (i.e., by representing a prior invention of another made in the United States, not abandoned, suppressed or concealed under 35 U.S.C. 102). A party entitled to priority for a count under the benefit provisions of 35 U.S.C. 119 creates no "prior art" under 35 U.S.C. 102(g)/103 against his opponent. Separate counts ought not to be created or denied in an interference on the basis of a rule which fails to account for whether the interference record will confirm the assumption in the definition that a lost count will become "prior art".

The following examples are provided as indicative of perceived difficulties in the application of the definition embodied in Rule 601(n) :

Example A: Rule 601(n) is applied in a mutuality sense to an interference where the existing count (Invention A) is a broad genus over organic compounds. Both parties disclose a species (Invention B) which one of the parties alleges represents a "selection invention", i.e., is neither anticipated by the genus nor obvious therefrom. The party proposing to add a species count to Invention B must demonstrate that the genus was neither the same as nor obvious in view of the species, an impossibility since *disclosure of the species anticipates the genus under 35 U.S.C. 102* . In effect, no party could ever propose sub-generic or species counts included within broader generic counts. Since all potential patentability and priority questions with respect to possible sub-generic and species claims are intended to be resolved in the unified patentability/priority proceedings, loss of such a broad generic count might be construed as estopping the losing party from arguing entitlement to a patent for species and sub-genera within the lost count. Since proof of a single species is dispositive of the question of priority as to a genus, no matter how large, this is a more severe result than would appear to be proper or intended.

Example B: Under the facts of Example A, if the standard under which the propriety for including a second sub-generic or species count is merely that the *proposed* count must be non-obvious over the *existing* count considered as prior art, then, an interference could conceivably proceed with both the generic and the species count in the interference. The usual criteria for "selection inventions" could be employed. However, when an interference is declared with a species count embodying Invention A, then utilization of a test requiring that a proposed count be non-obvious over the existing count as prior art leads literally to the conclusion that a proposed count to a generic Invention B is *anticipated* by the existing species count and therefore may not be added to the interference. This artificial distinction can certainly not have been intended, and yet the rules provide no clear indication of which result is the "correct" one or whether another test will be employed, e.g., the narrower count need only be non-obvious over the broader count.

Example C: A party moves to substitute two sub-generic counts to allegedly separately patentable inventions, Inventions A and Invention B, in place of a broad generic count to the "Markush" group of Invention A *and* Invention B.

The party alleges Invention B has surprising and unexpected properties over Invention A and is separately patentable thereover. Because, however, a consideration of Invention B as "prior art" suggests Invention A would not be non-obvious thereover, the motion is denied. The moving party establishes priority as to Invention B, but loses the sole count of the interference to an opponent who filed a foreign application disclosing a single species from Invention A. The result is that the moving party with clear evidence of priority apparently loses the right to patent an invention on the technicality of "count formation" in interference. The result is substantially more severe than had he been simply faced with a statutory bar!

Example D: The senior party, a foreign applicant, relies on a priority application disclosing Embodiment A. Subsequently the junior party files a United States application directed to an Embodiment B. Thereafter both parties file applications in the United States disclosing a generic invention including both Embodiments A and B. An interference is declared on the generic invention and the junior party moves to substitute two counts, one count to Embodiment A and a second count to Embodiment B on the ground that they represent separate patentable inventions. Since the junior party's invention date for Embodiment B is after the senior party's priority date, the junior party will be obliged to concede priority on the sole count in the interference unless his motion to substitute counts is granted.

Accordingly, the junior party undertakes laboratory tests which indicate that both Embodiments A and B achieve substantially the same result in substantially the same manner without any significant differences in effectiveness. Without evidence of separate patentability to support the motion to substitute, the junior party is unsuccessful and priority is awarded to the senior party.

The junior party abandons his claim to the generic invention of the lost count, but persists in his assertion he is entitled to a patent on Embodiment B since the interference record indicates no actual priority for this embodiment in favor of the senior party. Ultimately, the junior party obtains evidence that Embodiment B is unexpectedly more useful than anticipated in a commercial setting, while Embodiment A is substantially unsuitable for practical use in a commercial setting.

Is the junior party entitled to a patent notwithstanding the disposition of the issue of its separate patentability in an *inter partes* proceeding? If indeed, the junior party would be entitled to such a patent, must a second interference now be declared with the senior party to again litigate the issue of priority? Had the junior party failed to have made the motion to substitute counts in view of his utter lack of supporting evidence of separate patentability, would the estoppel under 37 CFR 1.658(c) have applied? Finally, would the ends of justice be better served by a standard for count formation which could be finally determined contemporaneously with the filing of the preliminary motions themselves? All of these questions suggest that the utilization of a fluid concept such as non-obviousness as the basis for count formation will give unintended and unsupportable results in situations where the lack of separate patentability is prematurely assumed.

Example E: In the scenario of Example D, the non-entitlement to contest Embodiment B as a separate count was premised on a failure to demonstrate that Embodiment B was non-obvious over Embodiment A considered as prior art. However, an award of priority to the senior party based on the disclosure of Embodiment A in a foreign priority application does not render Embodiment A as available prior art (35 U.S.C. 102(g)/103) inasmuch as Embodiment A would not have been a prior invention of another made in the United States which had not been abandoned, suppressed or concealed. The junior party's entitlement to a patent on Embodiment B should depend, therefore, solely on his entitlement to priority with respect to Embodiment B. Priority is a necessary condition for entitlement to a patent since both parties disclose the embodiment and a sufficient condition since regardless of the party entitled to priority on Embodiment A, it should not become obviousness-generating prior art. Therefore, any standard or count formation which fails to reach the result of the junior party is entitled to contest priority and a patent on Embodiment B is contrary to current statutory requirements for entitlement to a patent.

The proposed rules attempt to rationally define counts in an interference so that the judgment in the interference settles all questions of entitlement to a patent. This not only cannot be done *prospectively,* but should not be done at all. Judgment should be made on *claims,* not counts and unpatentability determinations made against a party subject to the normal *ex parte* standard that additional evidence of non-obviousness, or other evidence or patentability wholly independent of priority itself, could compel a reconsideration of the judgment of unpatentability.

With respect to paragraph (1) of the comment, the standard of patentability will *not* be applied "on a mutual basis." Thus, if a species is patentable over a genus, the species is a "separate patentable invention" from the genus. Compare *In re Taub,* 348 F.2d 556, 146 USPQ 384 (CCPA 1965) (fluorine species might be patentable over genus of Markush group of hydrogen and halogen). A first count to a genus and a second count to a species which is patentable over the

genus may properly appear in an interference. See e.g., Example 4. The comment suggests that if "such mutuality is not applied * * * then a number of irreconcilable anomalies * * * will be manifest." The urged "irreconcilable anomalies" are not readily apparent to the PTO.

The PTO disagrees with the concept expressed in paragraph (2) of the comment that there should be "post-interference reconsideration of separate patentability." One of the principal objects of Pub. L. 98-622 and these new rules is to encourage complete determination of all rights between parties in an interference and to avoid post-interference reconsideration in an *ex parte* environment of issues which were or could have been raised *inter partes* in an interference.

The commentator remarks in paragraph (3) of the comment that "[a] party entitled to priority for a count under the benefit of 35 U.S.C. 119 creates no 'prior art' under 35 U.S.C. 102(g)/103 against his opponent. *In re McKellin,* 529 F.2d 1324, 188 USPQ 428 (CCPA 1976), arguable provides support for the commentator's remark. It should be noted, however, that in defining "same patentable invention" and "separate patentable invention" in § 1.601(n), the PTO is not establishing a new definition of "prior art." Rather, the PTO is providing definitions which will determine--both initially and ultimately in an interference--how *claims* in an application or patent will be designated to correspond to counts. See § § 1.603 and 1.606. Examples 1-19 illustrate how the PTO proposes to initially designate claims to correspond to counts. The designation of claims to correspond (or not correspond) to a count is significant because, as noted by the plurality opinion in *McKellin,* 529 F.2d at 1327, 188 USPQ at 432: "[a]n applicant [or patentee] who has lost an interference is not entitled to claims which correspond to the subject matter of the counts, of the interference." Section 1.658(c) estops a party from obtaining a claim which could have been added and which would have been designated to correspond to the lost count. The definitions of "same patentable invention" and "separate patentable invention" in § 1.601(n), the availability of motions to designate or not designate claims as corresponding to a count under § 1.633(c), and the estoppel provisions of § 1.658(c) provide the basis for accomplishing the PTO's objective of resolving *inter partes* in a single proceeding all issues which are or could have been raised between parties in an interference.

Examples illustrate how § § 1.601(n), 1.633(c) and 1.658(c) accomplish the PTO's objective.

Example 32. Application AV discloses engines in general and in particular a 6-cylinder engine. Application AV contains only claim 1 (engine). Application AW discloses engines in general, but does not specifically disclose a 6-cylinder engine. Application AW contains only a single claim 3 (engine). The U.S. "filing date" (§ 1.601(h)) of the AV application is prior to the U.S. filing date of the AW application, but the AW application claims a foreign priority date under 35 U.S.C. 119 based on an application filed in a foreign country prior to the filing date of the AV application. An interference is declared. The sole count of the interference is to "an engine." Claim 1 of the AV application and claim 3 of the AW application are designated to correspond to the count. During the interference, applicant AV does not move under § 1.633(c)(2) to add a claim to a 6-cylinder engine and to designate the claim to correspond to the count. Applicant AW is awarded a judgment in the interference based on the earlier filing date of the foreign patent application. After the interference, applicant AV adds claim 2 (6-cylinder engine) to the AV application. Whether AV would be entitled to a patent containing a claim to a 6-cylinder engine will depend solely on whether a 6-cylinder engine is a "separate patentable invention" from "engine"--the subject matter of the count. If a 6-cylinder engine is a "separate patentable invention" within the meaning of § 1.601(n), applicant AV could not have successfully moved under § 1.633(c)(2) to add claim 2 and to designate it to correspond to the count. Therefore applicant AV could obtain a patent containing claim 2. If, on the other hand, a 6-cylinder engine is not a "separate patentable invention," claim 2 of the AV application would be rejected on the basis of interference estoppel because claim 2 could have been added by a motion under § 1.633(c)(2). See § 1.658(c). See also Example 37.

Example 33. This example is basically the same as Example 32, except that application AV initially contains claim 1 (engine) and claim 2 (6-cylinder engine). When the interference is declared, both claims 1 and 2 of application AV are designated to correspond to the count. During the interference, applicant AV does not move under § 1.633(c)(4) to designate claim 2 as not corresponding to the count. A judgment in the interference is entered for applicant AW based on the earlier filing date of the foreign patent application. After the interference, applicant AV would not be able to obtain a patent containing claim 2, because that claim was designated to correspond to a count and entry of the judgment constitutes a final decision by the PTO refusing to grant applicant AV a patent containing claim 2.

In the written comment, Examples A through E were set out to illustrate what the commentator believed were "perceived difficulties." These examples are set out above and are analyzed below.

Analysis of Commentator's Example A. Example A does not describe any practice under these rules, because "same patentable invention" and "separate patentable invention" under § 1.601(n) are not intended to be "applied in a

mutuality sense." Where a first count is to a genus and a second count is to a species within the scope of the genus, there may be two counts if the species is separately patentable from the genus. The species is "invention A" referred to in § 1.601(n): the genus is "Invention B" referred to in § 1.601(n).

Analysis of Commentator's Example B. Commentator's Example B suggests--incorrectly--that if an interference is declared with a count to a species that no motion under § 1.633(c)(1) to add a count to a genus can ever be granted. If the species ("invention A" referred to in § 1.601(n)) is not anticipated by or obvious in view of the genus ("invention B" referred to in § 1.601(n)), a motion to add a separate count to the genus may be proper. The commentator uses the language "selection inventions" in both Examples A and B. Insofar as the PTO is aware, the language is not a term of art in the patent law. The PTO has not ascribed any particular meaning to the language in analyzing Examples A or B.

Analysis of Commentator's Example C. The result suggested in commentator's Example C can come to pass only if the moving party accepts as final the denial of the motion to substitute two "sub-generic counts" for the "broad generic count." Unlike practice under the rules which have been in effect, under these new rules a decision denying a motion to substitute a count is reviewable by the Board (see § 1.640(c) and § 1.655(a), second sentence). Additionally, the party could seek judicial review (35 U.S.C. 141, 146) of any final decision by the Board. However, if the party accepts as final the PTO's determination that inventions A and B are the "same patentable invention," the party would be precluded from obtaining a patent to invention B. After the interference is terminated, the only conceivable way that the moving party could seek to obtain a patent containing claims to invention B would be to first successfully move to reopen the interference for the purpose of presenting additional evidence. If the motion to reopen is granted (and it would be expected that such a motion will rarely be granted), the moving party would then have to successfully establish that invention A and invention B are not the same patentable invention. The PTO will continue to follow the general guidelines of 4 Rivise & Caesar, *Interference Law and Practice,* section 821 *et seq.* (Michie Co. 1948), in determining motions to reopen an interference after entry of judgment. It should be additionally noted that interferences in which a judgment has been entered by a district court in an action brought under 35 U.S.C. 146 or a mandate has been entered by the U.S. Court of Appeals for the Federal Circuit (35 U.S.C. 141 or 28 U.S.C. 1295(a)(4)(C)) will not be reopened until the district court vacates its judgment and/or the Federal Circuit withdraws its mandate.

Analysis of Commentator's Example D. Several questions asked in the commentator's Example D can be answered as follows:

Question: Is the junior party entitled to a patent notwithstanding the disposition of the issue of its separate patentability in an *inter partes* proceeding? *Answer:* No. The junior party should have presented the "evidence that Embodiment B is unexpectedly more useful than anticipated in a commercial setting" during the interference. The PTO expects to resolve issues *inter partes* in the interference. If the PTO was to permit the evidence to be presented after the interference is terminated and after *ex parte* prosecution resumes, a principal purpose of the overall change to interference practice would be defeated. It may be unfortunate that the evidence was not known to the junior party. However, it may also be true that the winning party--had the evidence been presented in the interference--could have produced probative counter-evidence. Why should the winning party be put to the expense of a second interference?

Question: If indeed, the junior party would be entitled to such a patent, must a second interference now be declared with the senior party to again litigate the issue of priority? *Answer:* The premise in the question is not correct. The junior party is not entitled to a patent to Embodiment B and therefore there will not be a second interference.

Question: Had the junior party failed to have made the motion to substitute counts in view of his utter lack of supporting evidence of separate patentability, would the estoppel under 37 CFR 1.658(c) have applied? *Answer:* Yes, unless the junior party can successfully move to reopen the interference.

Question: Would the ends of justice be better served by a standard for count formation which could be finally determined contemporaneously with the filing of the preliminary motions themselves? *Answer:* While the question is not fully understood, it should be recognized that counts will initially be formed when an interference is declared and are subject to being changed by a motion (§ 1.633(c)) or by the Board (§ 1.640(c) and § 1.655, second sentence). The correctness of the PTO's ultimate decision on what counts should be is subject to judicial review (35 U.S.C. 141, 146).

Analysis of Commentator's Example E. The PTO, without agreeing or disagreeing with all of the commentator's statements in Example E, disagrees with any ultimate conclusion that the junior party is entitled to a patent on Embodiment B and that such a result "is contrary to current statutory requirements for entitlement to a patent." Interference estoppel precludes granting a patent claiming Embodiment B to the junior party even if Embodiment A is not prior art with respect to Embodiment B.

One comment asked whether "invention A" and "invention B" mentioned in § 1.601(n) "refer to the entire scope of subject matter recited in a claim or to the disclosed embodiment(s) supporting the claim (a la *In re Vogel,* [422 F.2d 438,] 164 USPQ 619 (CCPA 1970))?" The question is somewhat difficult, if not impossible, to answer in the abstract. Whether "invention A" refers to the entire scope or to the embodiments which support a claim is not controlling under these new rules. One fundamental change being made under the new rules is that judgments will be in the form of whether an applicant or patentee is or is not entitled to a *claim.* In the past, the Board of Patent Interferences has entered an "award of priority." The use of an "award of priority" does not always accurately express the "judgment" entered in many interferences. See e.g., *Applegate v. Scherer,* 332 F.2d 571, 573 n. 1, 141 USPQ 796, 798 n. 1 (CCPA 1964). Whether an applicant or patentee is or is not entitled to a particular claim in any given interference will depend on many factors, some of which include the scope of the claim, the scope of the opponent's claim, and the prior art. An example illustrates the point.

Example 34. Applicant AX discloses an apparatus having fastening means. The specific means disclosed are rivets. Applicant AY discloses a similar apparatus having fastening means. The specific means disclosed are a nut and bolt. The prior art reveals that items have been fastened with numerous fastening means including both rivets and nuts and bolts. In determining whether AX's apparatus with rivet fastening means is the "same patentable invention" as AY's apparatus with nut and bolt fastening means, it would be proper to consider the specific apparatus disclosed by AX, the specific apparatus disclosed by AY, the fact that both AX and AY disclose the use of "fastening means" broadly, and the prior art which shows rivets and nuts and bolts to be known fastening means.

One comment suggested that the last sentence of § 1.604(b) and the last sentence of § 1.607(c) be deleted in view of a proposed rule (§ 10.23(c)(7); 49 FR 10028; 49 FR 33809) which defines "misconduct" as including "[k]nowingly withholding from the Office information identifying a patent or application of another from which one or more claims have been copied." The proposed rule is still being considered. In any event, the last sentences of § § 1.604(b) and 1.607(c) are instructions to examiners whereas proposed 37 CFR 10.23(c)(7) defines misconduct for those registered to practice before the PTO. Another comment suggested deletion of § 1.604(b) because "existing rules [37 CFR 1.56] already provide a duty of disclosure of subject matter *material* to examination." There is no inconsistency between the rule relating to the duty of disclosure and § 1.604. The comment also suggested that by identifying another application, an applicant "might be construed as having *admitted* that the claims" of the other application are directed to the same patentable invention as the claims in the applicant's application. The filing of such a paper is a statement by the applicant that the claims presented are "*known* to the applicant to define the same patentable invention" (emphasis added). If an applicant wishes to call another application to the attention of an examiner and the applicant believes that the other application does *not* claim the same patentable invention, but nevertheless may be relevant within the meaning of 37 CFR 1.56 , the applicant may identify the other applications and at the same time state why the invention claimed in the other application is not the same patentable invention as the invention claimed in the applicant's application. For the reasons given, the suggestions made in the two comments are not being adopted.

Three comments relating to § 1.605 were received. One comment suggested that the language "or substantially the same as the suggested claim" be deleted from the third sentence of § 1.605. The suggestion is being adopted to the extent that the language "a claim which is the same or substantially the same as" is being deleted. Under § 1.605, when the examiner requests an applicant to copy a suggested claim, the applicant will be required to copy verbatim the claim suggested by the examiner. A second comment suggested that the second and third sentences of § 1.605 be changed to read as follows:

The applicant to whom the claim is suggested shall amend the application by presenting the suggested claim, or shall identify in the application one or more pending claims which the applicant regards as being directed to the same or substantially the same invention as the suggested claim, within a time specified by the Examiner, not less than thirty days. Failure or refusal of an applicant to timely present a claim or to timely identify one or more claims which are directed to the same or substantially the same invention as the suggested claim shall be taken without further action as a disclaimer by the applicant of the invention defined by the suggested claim.

A third comment suggested that the second and third sentences of § 1.605 fail to take into account the case where an applicant is already claiming the invention. The third comment suggested addition of the following at the end of the third sentence of § 1.605(a): ", unless the application already contains claims to the same patentable invention." The suggestions made in the second and third comments are not being adopted as such. However, the following sentence is being added as the fourth sentence of § 1.605: "At the time the suggested claim is presented, the applicant may also: (1) Call the examiner's attention to other claims already in the application or which are presented with the suggested claim

and (2) explain why the other claims would be more appropriate to be included in any interference which may be declared." A major deficiency of the suggestions made in the second and third comments was the inability of the PTO to efficiently and effectively handle situations where the applicant: (1) Presents a claim which is "substantially the same as" the suggested claim or (2) points to a claim already in the application *and* the examiner is of the opinion that the claim is not to the same patentable invention. Under those circumstances, the examiner could not properly declare an interference. Accordingly, the applicant will be required to present verbatim the suggested claim. The applicant may, however, also present any other claim which the applicant believes is more appropriate. Alternatively, the applicant, in addition to presenting verbatim the suggested claim, may also call the examiner's attention to a claim already in the application which the applicant believes is more appropriate for interference purposes. In either case, the applicant must explain to the examiner why a claim other than the suggested claim is more appropriate for inclusion in the interference. Upon consideration of the suggested claim and the applicant's alternative claims and any explanation, the examiner is in a position to forward the application to the Board for declaration of an interference. If the applicant is dissatisfied with the claims of the application designated to correspond to the count, the applicant may file an appropriate motion under § 1.633(c).

Two comments were received which suggested that the last sentence of § 1.606 is not entirely clear. One comment suggested that the language in the last sentence which reads: "to define one patentable invention" be changed to read: "not to contain separate patentable invention." This suggestion is being adopted. The use of the language "*one* patentable invention" was unfortunate and rendered the actual intent of the rule unclear. Under § 1.606, at the time an interference is declared a *rebuttable* presumption will exist that any patent claim designated to correspond to a count does not embrace separate patentable inventions. Moreover, at the time the interference is declared, no count will be narrower in scope than the broadest patent claim designated to correspond to that count. The presumption is *rebuttable* and may be challenged and overcome by a motion under § 1.633(c). Examples 17 and 18 illustrate practice under § 1.606.

Two comments were received discussing § 1.607. A first comment suggested that the word "must" in the first sentence of § 1.607(c) be changed to "shall". The suggestion is being adopted. Use of "shall" makes § 1.607(c) consistent with § 1.604(b). A second comment asked the following question:

If the examiner determines that the applicant's claim is patentable but that there is no interfering subject matter, and the examiner accordingly allows the claim but refuses to declare an interference, is that determination appealable [to the Board of Appeals and Interferences under 35 U.S.C. 1.134]?

The commentator suggests that "such a determination" is appealable and rationale in support of the commentator's position appears in Gholz, *Board of Appeals Jurisdiction Over Appeals from Decisions by Primary Examiners Refusing to Institute Interferences on Modified or Phantom Counts,* 64 J. Pat. Off. Soc'y 651 (1982). At the hearing, the commentator orally urged that the rules be amended to permit an appeal to the Board when an examiner allows a claim, but refuses to declare an interference involving the allowed claim. The suggestion is not being adopted. A decision by an examiner to allow a claim, but not to declare an interference involving the allowed claim, is petitionable and not appealable. See Gholz, *supra,* at 652 n.13. The rule being suggested would enlarge the jurisdiction of the Board. Action by Congress would be necessary to accomplish what is embodied in the suggestion.

Several written comments and one oral presentation at the hearing were made concerning § 1.608. One comment suggested that § 1.608 be expanded to provide for summary judgment in interferences involving applications where the earlier of the filing date or effective filing date of one application was three months earlier than the date of the other application. This suggestion is not being adopted. Ordinarily, interferences are not declared between applications having effective dates more than three months apart. Moreover, expanding summary judgment proceedings to application-application interferences would result in delay in resolving interferences. Currently in application-patent summary judgment proceedings under 37 CFR 1.204(c) , very few summary judgments are entered against applicants who are junior to a patentee by more than three months. There is no reason to expect that a significant number of summary judgments would be entered in application-application interferences. As noted in the notice of proposed rulemaking, the PTO has already declined to expand summary judgment proceedings to cases where a patentee is junior to an applicant by more than three months. See 49 FR 3775 (paragraph bridging columns 1 and 2); 1039 O.G. 34; 1039 TMOG 34; 27 BNA 319.

Two written comments were received which suggested that § 1.608(b) should be more specific in indicating the kind of evidence which should be submitted when an applicant attempts to make out a *prima facie* case based on

priority of invention. The suggestions in the comments are being adopted. The following sentence has been added to § 1.608(b):

Where the basis upon which an applicant is entitled to judgment relative to a patentee is priority of invention, the evidence shall include affidavits by the applicant, if possible, and one or more corroborating witnesses, supported by documentary evidence, if available, each setting out a factual description of acts and circumstances performed or observed by the affiant, which collectively would *prima facie* entitle the applicant to judgment on priority with respect to the earlier of the filing date or effective filing date of the patent.

Similar language appears in the current rule: 37 CFR 1.204(c) . The PTO agrees entirely with the following discussion made by one commentator:

The material added to Rule 608(b) currently appears in existing 37 CFR 1.204(c) . A comparison of the existing language of 37 CFR 1.204(c) with the proposed rule might be construed as suggesting that the allegations which are now expressly required where priority is an issue will be changed, specifically relaxed in some manner. Since under proposed Rule 617 this clearly is *not* the case, the proposed addition to Rule 608(b) should assist the practitioner in understanding the intent of the PTO.

The commentator has accurately pointed out that the PTO intends to apply a stricter standard for filing additional evidence in summary judgment proceedings after an order to show cause has been issued. See the notice of proposed rulemaking. 49 FR 3775 (column 1); 1039 O.G. 34; 1039 TMOG 1039; 27 BNA 319 (column 1).

At the hearing, it was suggested that § 1.608 should encourage the use of 8 1/2 by 11 inch paper for affidavits. This suggestion is being adopted and the following sentence has been added to § 1.608(b): "To facilitate preparation of a record (§ 1.653(g) and (h)) for final hearing, an applicant should file affidavits on paper which is 8 1/2 x 11 inches (21.8 by 27.9 cm.)." The commentator at the hearing suggested that "many people submitting a Rule 608(b) showing are going to want to rely upon that showing under Rule 672(b) " in those cases where an interference is allowed to proceed. Use of 8 1/2 by 11 inch paper will facilitate preparation of the ultimate record.

Two comments were received with respect to § 1.609. The first comment suggested that the language "count or counts" in § 1.609(b)(1) be changed to "proposed count or counts" and that each occurrence of "the count" in § 1.609(b)(2) be changed to "each count". The suggestion is being adopted. These changes are editorial in nature and are designed to enhance the clarity of the rule. A second comment indicated that it was not clear to the commentator why it was necessary under § 1.609(b)(3) for the examiner to identify the claims in an application or patent which are deemed to be patentable over any count. The commentator went on to say that the examiner "could probably readily identify claims which would clearly be unpatentable over a count and perhaps this would be all that is needed. If the examiner simply said all claims are considered unpatentable over the count, what recourse does the applicant have if he disagrees?" The purpose of having the examiner identify all claims which are patentable over the count or counts is to place the parties on notice that those claims are allowable notwithstanding any decision in the interference. Thus, in an interference between Jones and Smith if the examiner indicates that claim 8 of Jones is patentable over the proposed count or counts, Smith will know that Jones may receive a patent containing claim 8 even if Smith wins the interference. This will permit Smith to move under § 1.633(c) to add claim 8 as corresponding to a count if Smith believes claim 8 defines the same patentable invention as one of the counts. Contrary to the suggestion in the comment, an examiner will not indicate that a claim is unpatentable over a count; rather, the examiner will designate the claim to correspond to a count. Each claim in a patent or application which is directed to the same patentable invention as a count will be designated to correspond to the count. Under the new practice, an examiner will no longer have occasion to indicate that a claim will be rejected over a lost count. To fully answer the commentator's question, if a claim is designated to correspond to a count and the applicant believes the claim does not define the same patentable invention as the count, the applicant may move under § 1.633(c) to designate the claim as *not* corresponding to the count. If the motion is granted, the examiner would be authorized to issue the applicant a patent containing the claim even if the applicant loses the interference.

Several comments were received which discuss § 1.611. One comment suggested addition of a paragraph (f) to permit expanded summary judgment proceedings in application-application interferences. Since expanded summary judgment proceedings are not contemplated, the suggestion is not being adopted. See the discussion above under analysis of comments of § 1.608(b). Two comments suggested that § 1.611(c)(8), which provides that a notice declaring the interference shall specify among other things the "order of the parties," fails to take into account the fact

one party may be "senior" as to one count and "junior" as to another count. As explained above in connection with the analysis of the comments concerning § 1.601(m), the "order of the parties" is a procedural tool. It indicates the "style" of the case--which practitioners are encouraged to use. If there are two counts and one party is "senior" as to one count and "junior" as to another count, the party has the burden of proof as to that count to which the party is "junior." See § 1.657. Appropriate testimony periods will be set (§ 1.651(b)) to accommodate differing burdens of proof in cases where a party is "senior" on one count and "junior" on another count. The suggestions to change the meaning of "order of the parties" are not being adopted. Another comment suggested that § 1.611(e) be changed to indicate that notice "shall" (as opposed to "may") be given in the *Official Gazette* when an interference has been declared involving a patent. No useful purpose would be served by changing "may" to "shall" inasmuch as the rights of parties involved in an interference are not affected by publication or non-publication of the fact that a patent is involved in the interference. By § 1.611 the PTO intends to exercise discretion to publish in the *Official Gazette* an identification of patents which become involved in interferences; however, the PTO does not intend to undertake an absolute obligation to do so. The use of "may" better expresses the PTO's intent behind § 1.611(e).

No written comments were received relating to § 1.612. However, at the hearing two suggestions were made orally. The first suggestion was that where a "party" has obtained a copy of his "opponent's affidavit under § 1.131 or § 1.608(b) (see § 1.612(b)), the party should be required to notify the opponent." According to the suggestion, if the opponent then intends to rely on the affidavit (§ 1.671(e)), the opponent would have to "re-serve" the affidavit on the party. This suggestion is not being adopted. When the party gains access to the affidavit under § 1.612(b), the party may or may not make an accurate copy. On the other hand, the opponent knows exactly those portions of the affidavit upon which the opponent intends to rely. After careful consideration, the PTO believes on balance that it is better for the opponent to serve a copy of the evidence upon which the opponent intends to rely. Service avoids issues as to whether the party obtained under § 1.612(b) a complete and/or accurate copy of the evidence upon which the opponent intends to rely.

The second suggestion concerning § 1.612 made orally at the hearing was that a party should have access to an opponent's "predecessor application, even though the application may not be relied upon for 35 U.S.C. 120 benefit." According to the suggestion, access to a "predecessor application" may be needed to uncover relevant evidence, including violations of 37 CFR 1.56 . Specifically, the commentator called attention to *Driscoll v. Cebalo,* 731 F.2d 878, 221 USPQ 745 (Fed. Cir. 1984), *rehearing denied mem.* (Fed. Cir. July 25, 1984). The suggestion is not being adopted. The Patent Statute (35 U.S.C. 122) provides that applications for patent will be preserved in secrecy by the PTO unless special circumstances are shown. Section 1.687(c) provides for "additional discovery" when required in the interest of justice. Additional discovery is believed to provide the necessary procedural vehicle for obtaining access to an opponent's "predecessor application."

One comment was received which suggested that the language "or members of the same firm of attorneys and agents" be added after "agent" in § 1.613(b). The suggestion is being adopted because it is believed to make the rule clearer.

One comment was received which said the following with respect to § 1.616: "Sanctions should not be left to the Examiner-in-Chief (EIC) or BAI [Board of Patent Appeals and Interferences]--This Rule is *unnecessary* and should be deleted. An alternative would be to give sanction power only to the BAI." The suggestion to delete § 1.616 is not being adopted. There are cases where sanctions are warranted. See e.g., *Woods v. Tsuchiya,* 207 USPQ 228 (Comm'r. Pat. 1979) and *Tezel v. Bellantoni,* 188 USPQ 688 (Bd.Pat.Int. 1975). The PTO continues to believe that imposition of a sanction (except judgment) by a single examiner-in-chief is appropriate. In any event, a party may ask a 3-member panel of the Board to reconsider any sanction which may be imposed by a single examiner-in-chief. See § 1.640(c).

Several written and oral comments were received regarding § 1.617.

One oral comment made at the hearing suggested that "it should be explicitly stated in Rule 617(a) that the decision of the examiner-in-chief to permit the interference to proceed is without prejudice to the right of any other party to attack the sufficiency of the Rule 608(b) showing when offered as Rule 672 testimony." The suggestion is not being adopted. While no explicit statement to that effect will be placed in § 1.617(a), it necessarily follows that any opponent may attack the sufficiency of an applicant's showing under § 1.608(b) when that showing is presented as evidence under § 1.672. In summary judgment proceedings, all an applicant need do is make out a *prima facie* case. If the interference is allowed to proceed in the normal manner, the applicant must provide priority by a preponderance of evidence (when the application and the patent are copending) or beyond a reasonable doubt (when the application was filed after the patent issued). Manifestly, the burden in summary judgment proceedings is not as strict as the burden in

proceedings following summary judgment, *Breuer v. DeMarinis,* 558 F.2d 22, 28, 194 USPQ 308, 313 (CCPA 1977) and *Schwab v. Pittman,* 451 F.2d 637, 640, 172 USPQ 69, 71 (CCPA 1971).

Several comments suggested than an applicant should be permitted as a matter of right to file a reply to any statement filed by any opponent under § 1.617(d). The suggestion that a reply be permitted is being adopted. Accordingly, § 1.617(e) has been changed to read: "[w]ithin a time authorized by the examiner-in-chief, an applicant may file a reply to any statement filed by any opponent." Some of the comments indicated that the applicant should be able to reply to a statement by a patentee or another opponent. The language "any opponent" in § 1.617(e) is intended to include both the patentee and any other opponent. The change in the last sentence of § 1.617(h) of "patentee" to "any opponent" is intended to make clear that all parties may appear at a hearing if the applicant requests a hearing.

One comment suggested that the patentee (and presumably any other opponent) should be allowed to present "evidence" during summary judgment proceedings. This suggestion is not being adopted. A change in the second sentence of § 1.617(d) is intended to make clear that opponents may file statements in response to an applicant's "response," but the statement "shall be limited to discussing why all the evidence presented by the applicant does not overcome the reasons given by the examiner-in-chief for issuing the order to show cause." The PTO does not intend to expand summary judgment proceedings into a "mini-interference." An applicant presents evidence under § 1.608(b). If the examiner-in-chief finds that evidence insufficient, an order to show cause stating reasons for the insufficiency is issued. An applicant may respond and, if appropriate, file "additional evidence." The PTO intends to be rather strict in permitting the filing of new evidence. After the applicant responds (with or without additional evidence), any opponent may file a statement. In the statement, the opponent should be free to comment on all the evidence (original and additional) which the applicant presents. Compare *In re Plockinger,* 481 F.2d 1327, 179 USPQ 103 (CCPA 1973). Under § 1.617(d) the opponent may not urge a rationale for summary judgment which does not appear in the order to show cause issued by the examiner-in-chief. However, it is not the PTO's intent to interpret § 1.617(d) in the narrow manner the Court of Customs and Patent Appeals interpreted 37 CFR 1.204(c) in *Kahl v. Scoville,* 609 F.2d 991, 995-996, 203 USPQ 652, 656 [headnote 6] (CCPA 1979). An example will illustrate how the PTO intends to interpret § 1.617(d).

Example 35. An applicant copies claims from a patent and is required to submit a showing under § 1.608(b). Upon review of the showing under § 1.608(b), the examiner-in-chief concludes that the showing fails to make out a *prima facie* case of priority, because applicant has failed to show an actual reduction to practice. Applicant files a response and includes additional evidence which purports to show an actual reduction to practice. The patentee then files a statement in which two arguments are made. *First,* patentee argues that the additional evidence has not been properly authenticated. *Second,* patentee argues that even if applicant has shown an actual reduction to practice, summary judgment is nevertheless appropriate because applicant suppressed and concealed after the actual reduction to practice. The first argument is proper, but the second argument is not. A patentee may comment on the sufficiency of the applicant's evidence. Fairness, however, dictates that summary judgment be granted only after fair notice in the order to show cause. Accordingly, summary judgment will not be based on a rationale raised by a patentee in a statement which does not correspond to the rationale used by the examiner-in-chief in the order to show cause.

A change has been made in § 1.617(a) and § 1.617(g) to make clear that once summary judgment proceedings have concluded, an interference will proceed "in the normal manner." The change is intended to codify the decisions in *Walsh v. Sakai,* 167 USPQ 465 (Comm'r. Pat. 1967) and *Ing* v. *Chiou,* 207 USPQ 321 (Comm'r. Pat. 1979). This change is further discussed in the discussion of the comments received with respect to § 1.635.

One comment was received which indicated that § 1.618:

needs qualification. It may be appropriate to resubmit certain papers (See also 1.644(d) last sentence).

The precise "qualification" needed was not set forth in the comment. Likewise, no example of "certain papers" was set forth. Under the circumstances, the PTO declines to make any change in § 1.618.

Several comments were received which discussed the rules relating to preliminary statements.

Three comments were received which suggested that § 1.622(a) be amended to "take into account several court decisions holding that joint inventors need not be joint inventors of [the subject matter of] all claims." Changes have been made in § 1.622(a) consistent with the amendment to 35 U.S.C. 116 made by Pub. L. 98-622 .

One comment was critical of § § 1.623(c); 1.624(c); and 1.625(c), because § 1.628(b) does not cover the possibility that a drawing might not be available, e.g., a drawing destroyed in "a fire." Section 1.628(b) has been amended to permit a party to allege a date when a first drawing or first written description was made in those circumstances where the first drawing or first written description is not available. The party will be required: (1) To show good cause and explain in the preliminary statement why a copy of the drawing or written description cannot be attached to the preliminary statement and (2) attach to the preliminary statement the earliest drawing or written description made in or introduced into the United States which is available. The party would also be required to file a motion to amend its preliminary statement promptly after the drawing or written description becomes available. It is the PTO's intent by the amendment § 1.628(b) to overrule the holding of headnote [1] of *Reddy v. Davis,* 187 USPQ 386, 388 (Comm'r.Pat. 1975).

Another comment was critical of the language "conceived" in § 1.623(a)(4). The current rules do not require a party to allege a conception; rather, they require one to allege the date of the certains acts which, if proved, would establish conception. See 37 CFR 1.216(a)(4) . According to the commentator, an allegation of conception is "unprovable and meaningless." The use of "conception" in § 1.623(a)(4) is intentional and is designed to permit a party to "plead" the earliest date on which it believes conception occurred. Contrary to the suggestion in the comment, "conception" is not meaningless and may be proved during the testimony period. See *Gould v. Schawlow,* 363 F.2d 908, 150 USPQ 634 (CCPA 1966); *Meitzner v. Corte,* 410 F.2d 433, 161 USPQ 599 (CCPA 1969); and *Mergenthaler v. Scudder,* 11 App.D.C. 264, 1897 C.D. 724 (D.C.Cir. 1897). There is no need to prove "conception" in the preliminary statement.

A preliminary statement serves several useful purposes in an interference: (1) it serves to limit a party's proofs as to time, (2) it serves as a vehicle for permitting the examiner-in-chief or the Board to issue orders to show cause in those cases where it would be futile to take testimony, and (3) it serves as notice to an opponent of the case which is alleged by a party. Under the rules being announced herein, the issues which will be raised and decided by the Board at final hearing are made known during the interlocutory stage through: (a) The preliminary statement, (b) motions under § 1.633 and decisions thereon, and (c) notices under § 1.632 of a party's intent to argue abandonment, suppression, or concealment. Section 1.632(a)(4) requires a party to allege a date of conception--it does not require proof of conception. The allegation puts the opponent on notice that the party intends to prove conception as of a date no earlier than the date alleged in the preliminary statement.

One comment suggested that the rules relating to preliminary statements are deficient because they do not permit one to allege allegations concerning tapes. Specifically, the commentator said: "What about a taped transcript of an invention, a practice being followed in a number of research departments of corporations?" If making a tape is the last act of conception, a party may allege the date the tape was made as the conception date under § 1.623(a)(4).

Several comments were received which suggested that a party should not have to allege derivation in a preliminary statement because the party may not know derivation occurred until the testimony period. Section 1.625 requires a party to file a preliminary statement when derivation is an issue. If derivation is not known or discovered prior to the date the preliminary statement is due, a party may move to amend the preliminary statement and allege derivation promptly after existence of derivation is discovered.

Several comments discussing § 1.624 were received. One comment suggested that § 1.624.(a)(5) should require a party to state, where appropriate, that no actual reduction to practice of an invention made in a foreign country was introduced into the United States. This suggestion is being adopted and a second sentence has been added to § 1.624(a)(5) which provides: "If an actual reduction to practice of the invention was not introduced into the United States, the preliminary statement shall so state." This sentence conforms § 1.624(a)(5) to the allegation required in the second sentence of § 1.623(a)(5). Another comment suggested that the language "in the United States" be inserted after "reasonable diligence" in § 1.624(a)(6) and that all occurrences of the language "was made" in § 1.624(c) be changed to "was introduced into the United States". This suggestion is being adopted. As noted in the comment, "[t]he changes ... are necessary to clarify that for an invention made abroad the only relevant activities are those which occur in the United States." See 35 U.S.C. 104 .

One comment asked "how does one introduce 'an actual reduction to practice of the invention' in the United States?" *Breuer v. DeMarinis,* 558 F2d 22, 194 USPQ 308 (CCPA 1971), illustrates a case where an actual reduction to practice abroad was introduced into the United States.

One comment suggested that § 1.627(a) be changed to require preliminary statements "be enclosed in an outer envelope addressed to the Commissioner of Patents and Trademarks and be additionally marked Box Interference--

Preliminary Statement." According to the comment, the confidentiality of preliminary statements "envisioned under the proposed rules would be further enhanced. ..." The suggestion is not being adopted. The PTO believes it is sufficient if preliminary statements are enclosed in a sealed envelope as specified in § 1.627(a). The Board will not permit access to preliminary statements which have not been ordered opened by an examiner-in-chief.

Several comments discussing § 1.629 were received. One comment suggested that the first sentence ("A preliminary statement should be carefully prepared.") should not appear in § 1.629(a). This suggestion is being adopted. The PTO agrees with the commentator that the sentence:

no longer appears necessary or appropriate in the context of rulemaking. The remainder of the paragraph makes the admonition redundant at best.

Two comments were received which suggested that the word "normally" be deleted from the last sentence of § 1.629(d). The suggestions are not being adopted. A preliminary statement is a pleading. The Board does not evaluate or consider the content of a drawing or written description prior to final hearing. At final hearing, in fact, the Board will only consider the drawing or written description if a party places the drawing or written description in evidence. The word "normally" first appeared in 37 CFR 1.223(c) , last sentence, in 1978 (see e.g., 973 TMOG 19 (August 1, 1978)). The last sentence of 37 CFR 1.223(c) was intended to codify headnote [2] of *Reddy v. Davis,* 187 USPQ 386 (Comm'r. Pat. 1975). The word "normally" appears in the rule to permit the Board to exercise discretion to evaluate or consider the content of a drawing or written description in some unusual and presently unforeseen circumstance.

One comment suggested that "no earlier than" in § 1.629(b) be changed to "as early as". The suggestion is being adopted inasmuch as it is believed to more clearly state the intent of the rule.

One comment suggested that § 1.629(d) "is improper because it fails to take into account testimony which can show that a drawing and/or written description were actually made even though the drawing and/or written description are not now available." A change to § 1.628(d) and addition of "unless the party complies with § 1.628(b)" to the first sentence of § 1.629(d) eliminates the problem raised by the commentator.

One comment discussing § 1.631(a) was received which expressed the view that a junior party should be required to send a copy of its preliminary statement to the senior party even if the senior party does not file a preliminary statement. According to the commentator, the senior party is *prima facie* the first inventor and at some time it will have to know the earliest dates alleged by the junior party. The rules require all parties to file a preliminary statement. If a junior party does not file a preliminary statement, it will be denied access to any other preliminary statement which is filed. A senior party, however, is always entitled to access to any preliminary statement filed by a junior party. See e.g., § 1.631(b). However, a junior party will only be required to serve a senior party who files a statement.

Numerous comments were received discussing § 1.633.

One commentator asked: "What sort of a judgment is in order if a count is not patentable over the prior art to an opponent?" Section 1.633(a) authorizes a party to bring a motion for judgment on the ground that the opponent's *claim* corresponding to a count is not patentable. It is important to note that the motion raises the patentability of the opponent's *claim* not the count. Accordingly, by a motion under § 1.633(a), a party seeks entry of a judgment that the opponent is not entitled to a patent containing a claim corresponding to a count.

Two comments questioned the nature of the judgment when a motion under § 1.633(b) is granted. Section 1.633(b) authorizes the filing of a motion for judgment on the ground that there is no interference-in-fact. If a motion under § 1.633(b) is granted, the judgment would provide that each party is entitled to a patent containing that party's claims corresponding to the count. Judgments in interferences under these rules will determine a party's entitlement or lack of entitlement to *claims* corresponding to a count.

One comment expressed the hope that "third party inventorship" would not be made an issue in interferences. Contrary to the hope expressed by the commentator, "third party inventorship" can be made the subject of a motion under § 1.633(a). Any ground of unpatentability may be made the subject of a motion under § 1.633(a) except: (1) Priority of invention of the subject matter of a count by the moving party as against any opponent or (2) derivation of the subject matter of a count by an opponent from the moving party. It should be noted that under past practice, third party inventorship has not been considered "ancillary" to priority. *Sheffner v. Gallo,* 515 F.2d 1169, 185 USPQ 726 (CCPA 1975). However, under these rules, the question of whether an issue is "ancillary" no longer arises. See 130

Cong. Rec. H10528 (daily ed. Oct. 1, 1984) (statement by Rep. Kastenmeier). Pub. L. 98-622 gives the Board authority to consider priority and *patentability.* Third party inventorship involves a question of patentability. 35 U.S.C. 102(f) .

One comment pointed out that § 1.633(e) adopts the estoppel rule approved by the Court of Customs and Patent Appeals in *Avery v. Chase,* 101 F.2d 205, 40 USPO 343 (CCPA 1939), *cert. denied,* 307 U.S. 638 (1939), while rejecting the rule announced by the U.S. Court of Appeals for the District of Columbia Circuit in *International Cellucotton Products Co. v. Coe,* 35 F.2d 869, 30 USPQ 366 (D.C. Cir. 1936). See also *American Cyanamid Co. v. Coe,* 106 F.2d 851, 42 USPQ 302 (D.C. Cir. 1939). The commentator is correct in noting that the rules adopt the estoppel rule approved in *Avery v. Chase.* The following comment by the CCPA in its opinion in *In re Shimer,* 69 F.2d 556, 558, 21 UPSQ 161, 163 (CCPA 1934), accurately expresses the intent of the PTO in promulgating § § 1.633(e) and 1.658(c):

"It may be stated that this rule works no hardship to him who is diligent in pursuit of his rights. When an interference is declared, the files of his contestants are open to him. He has full cognizance of their disclosures and claims. So advised, it becomes his duty to put forward every claim he has. [Rule 1.633(e)] ... affords him this opportunity. If the rule be not enforced or enforceable, then delays and litigation are greatly increased. It is quite obvious that the doctrine of estoppel, as applied in these cases, results in the better conduct of the business of the Patent [and Trademark] Office and in the public good."

One comment suggested that the following be added to the end of § 1.633(c):

"A motion to add or substitute a count shall be construed as an automatic request for the benefit of any earlier application [filing] dates accorded the existing count, and also as encompassed by a contemporaneous motion under § 1.633(f) or (g), unless indicated otherwise. Any opposition thereto must be raised in a motion opposition pursuant to § 1.638."

The suggestion is not being adopted. A specific reference to § 1.637(c) appears in § 1.633(c). The provisions of § 1.637 spell out in detail the steps which a moving party must take in filing a motion under § 1.633(c). One of those steps requires the moving party to request benefit of any earlier application. The mere fact that benefit has been accorded for a "first" count does not establish that benefit should accorded for a "second" count. The PTO believes the burden should be on the moving party to point out where an earlier application supports a count rather than placing the burden on an opponent in the first instance to point out where an earlier application fails to support particular subject matter. There is no compelling reason to force the opponent "to prove a negative." It should be noted that the language "Where appropriate," has been deleted in every instance from § 1.637 to make clear that the burden lies on the moving party to request benefit when that party files a motion under § 1.633.

At the hearing, one individual commented that § 1.633(a) is not clear as to whether a motion for judgment based on "fraudulent appropriation of the moving party's invention by his opponent" excluded. The "fraudulent appropriation of the moving party's invention by his opponent" is derivation. Section 1.633(a)(2) excludes both "innocent" derivation (e.g., through a third party and unknown to either party in an interference) or "fraudulent" derivation (e.g., where one party knowingly takes the invention from an opponent). In either event if derivation by an opponent of a party's invention is proved, the party will be awarded judgment.

One comment made the following statement:

"An opponent faced with a motion for judgment on the ground that a count is unpatentable may not be able to prove patentability in the short time periods. Provision should be made for extensions of time in such cases."

Provisions for extensions of time are made in § 1.645.

One comment addressed Example 23 which appeared in the notice of proposed rulemaking. Example 23 also appears in a slightly modified form herein and, as modified, takes into account discussion in the comment. The commentator believed that the motion mentioned in Example 23 should be denied and that a testimony period should be set. Accordingly to the commentator, the granting of the motion would shift the burden to the opponent of the motion. The commentator's point is well taken. Actually, the motion should be deferred to final hearing and a testimony period would be set. In ruling on motions under § 1.633, it will not always be possible for the examiner-in-chief to grant or deny outright a motion. When testimony is needed to rule on a motion, the proper course of action is to defer a decision

on the motion to final hearing and permit testimony. See § 1.639(c). The moving party retains the burden. If testimony is taken on patentability, the parties would also have to take testimony on priority. With all testimony at its disposal, the Board would then be in a position to rule on all issues and award a judgment.

One comment asked how the claims of the parties would be designated to correspond to the counts if in Example 18 a motion to substitute Count 2 (benzene) and add Count 3 (chloroform) was granted. The following Example 36 answers the commentator's question.

Example 36. The facts in this example are the same as Example 18. Assume that applicant AB believes that benzene and chloroform define separate patentable inventions. Applicant AB would file a motion under § 1.633(c)(1) to substitute Count 2 (benzene) for Count 1 (Markush group of benzene or chloroform) and add Count 3 (chloroform). If the examiner-in-chief grants the motion, the interference would be redeclared by deleting Count 1 and substituting in its place Counts 2 and 3. Claims 1 and 2 of the patent H and claims 11 and 12 of application AB would be designated to correspond to Count 2. Claims 1 and 3 of patent H and claims 11 and 13 of application AB would be designated to correspond to Count 3. If one party proves priority with respect to both benzene and chloroform, that party would be entitled to all claims in its application or patent corresponding to Counts 2 and 3. The other party would not be entitled to a patent containing any claim corresponding to Counts 2 and 3. If patentee H proves priority with respect to benzene and applicant AB proves priority with respect to chloroform (assuming there was no issue raised at final hearing with respect to the patentable distinctness of benzene and chloroform), the judgment would provide that patentee H is not entitled to a patent with claims 1 and 3, but is entitled to a patent with claim 2 and that applicant AB is not entitled to a patent with claims 11 and 12, but is entitled to a patent with claim 13. If an issue is properly raised at final hearing as to whether benzene and chloroform are the same patentable invention and the Board holds that they are the same patentable invention, the party proving the earliest priority as to either benzene or chloroform would prevail as to all claims. Thus, if patentee H invented benzene before applicant AB invented benzene or chloroform, patentee H would be entitled to a patent containing claims 1 through 3 even if applicant AB invented chloroform before patentee H invented chloroform. Applicant AB would not be entitled to a patent with claims 11 through 13.

An oral comment was received by telephone which raised the question of whether a party is, or could be, required to present in the party's application every claim which the party may ever seek to obtain in a patent based on the party's application. According to the commentator, such a requirement would prevent the party from proceeding *ex parte* after the interference on any claim on which a favorable judgment was not entered. It is not the PTO's intent to require a party who is an applicant to present at the outset all claims which the party may ever seek to obtain in a patent based on his application. Parties in interference cases should recognize, however, that the interference estoppel provisions of § 1.658(c) have been expanded with the view to eliminating much of the *ex parte* maneuvering which has taken place in the past after an interference is terminated. Accordingly, a party who fails to move to place a matter in issue runs a considerable risk that the party will not be able to raise the issue *ex parte* after an interference is terminated. Nevertheless, the PTO has determined that it will not, at this time, adopt the requirement suggested by the commentator. The commentator also suggested, contingent on his earlier suggestion being rejected, that the rules provide that a party be authorized to file a motion to require an opponent who is an applicant to add a claim to the opponent's application and to designate the claim as corresponding to a count. This suggestion is being adopted by addition of § 1.633(c)(5). Paragraph (c)(5) authorizes the filing of a motion to redefine the interfering subject matter by requiring an opponent who is an applicant to add a claim and to designate the claim to correspond to a count. A companion addition of paragraph (c)(5) to § 1.637 sets out the requirements of a motion under § 1.633(c)(5). Those requirements are: the moving party must: (1) Propose a claim to be added to the opponent's application, (2) show the patentability of the claim to the opponent and apply the terms of the claim to the disclosure of the opponent's application, (3) identify the count to which the proposed claim shall be designated to correspond, and (4) show that the proposed claim defines the same patentable invention as the count to which it will be designated to correspond. The following example illustrates how practice under § § 1.633(c)(5) and 1.637(c)(5) is expected to occur.

Example 37. In this example, some of the facts set out in Example 32 will be used. Application AV discloses engines and in particular a 6-cylinder engine. Application AV contains only claim 1 (engine). Application AW discloses engines in general, but does not specifically disclose a 6-cylinder engine. Application AW contains only a single claim 3 (engine). Seeing that application AV specifically discloses a 6-cylinder engine and believing that a 6-cylinder engine is the same patentable invention as "engine," AW could move under § 1.633(c)(5) to require applicant AV to add a claim (6-cylinder engine) and to have the claim designated to correspond to the count (engine). Applicant AV could oppose on the ground that a 6-cylinder engine is not the "same patentable invention" as "engine." If the motion is granted, applicant AV would be required to add a claim to 6-cylinder engine and the claim would be designated to

correspond to the count. If applicant AV loses the interference, the judgment would preclude applicant AV from obtaining a patent with claims to "engine" or "6-cylinder engine." If the motion is denied on the basis that a 6-cylinder engine is not the same patentable invention, applicant AV would not be required to present a claim to 6-cylinder engine and would be able to pursue such a claim *ex parte* even if applicant AV loses the interference.

If an applicant is ordered by an examiner-in-chief to file an amendment to present a claim and the applicant fails or refuses to timely present the amendment, the failure or refusal will be taken without further action as a disclaimer by the applicant of the subject matter of the claim. See the second sentence of § 1.640(b)(1).

At the hearing, one commentator indicated that it is not clear whether § 1.635 "would permit a motion for judgment in a situation where a junior party's case-in-chief fails as a matter of law to overcome a senior party's effective filing date." Under the rules, it is not the intent of the PTO to allow a senior party to test the sufficiency of the case-in-chief of a junior party prior to final hearing. Thus, a "motion for a directed verdict" (see Rule 50(a) of the Federal Rules of Civil Procedure) at the conclusion of the junior party's case-in-chief and prior to a senior party's case-in-chief is not authorized under the rules. If a senior party believes the case-in-chief of the junior party is insufficient as a matter of law, the senior party may *elect* to proceed immediately to final hearing. If the senior party is incorrect, however, the senior party will have waived any right to present any case-in-chief or rebuttal. See e.g., *Comstock v. Krockel,* 200 USPQ 548, 550 n. 4 (Comm'r.Pat. 1978); *Lorenian v. Winstead,* 127 USPQ 501, 508 (Bd.Pat.Int. 1959) and, more recently, *Burson v. Carmichael,* 731 F.2d 849, 221 USPQ 664 (Fed. Cir. 1984) ("There is no support in law for repeated bites at the apple"). This would be true even if the only evidence relied upon by the junior party is a showing under 1.608(b). In this respect, the rules codify the decision in *Walsh v. Sakai,* 167 USPQ 465 (Comm'r.Pat. 1970).

Two comments were received which suggested that the twenty-day period in § 1.636(b) is too short. It was suggested that a longer time period be set and one comment suggested thirty (30) days. The suggestions are not being adopted. The time period set for filing oppositions will normally be set during a telephone conference call between the examiner-in-chief and the attorneys for the parties. The twenty-day period appears in the rule in the event a specific time for filing oppositions is not set by an examiner-in-chief. The twenty-day period is deemed to be sufficient in most cases. Twenty days are currently allowed to respond to a motion. See 37 CFR 1.231(b) . It should be noted that the twenty-day period is longer than the minimum period allowed by the Federal Rules of Civil Procedure for responding to motions. See Rule 6(d) and (e)

Two comments were received which discussed § 1.637. Both comments suggested that a sentence be added to § 1.637(f)(2) to require a translation to be filed when a party moves for benefit of an earlier foreign application which is not in English. The suggestions are being adopted and the following has been added as the last sentence of § 1.637(f)(2): "If the earlier application filed abroad is not in English, the requirements of § 1.647 must also be met." Section 1.647 requires a translation whenever a party relies on a document in a language other than English. One comment suggested that the language of § 1.637(f)(3) ("Show that the earlier application discloses an embodiment within the scope of each count.") may be "contrary to past decisions of the CCPA which have held a disclosure can be good without a specific embodiment." The critical issue in each benefit situation is whether the earlier application constitutes a constructive reduction to practice of the invention defined by the count. The issue is necessarily resolved on a case-by-case basis and the presence or absence of an embodiment is only one factor to be considered. Accordingly, the language of § 1.647(f)(2) has been changed to read: "Show that the earlier application constitutes a constructive reduction to practice of each count." The comment also criticized the use of the word "each" in § 1.647(f)(2). The term "each" is used to make clear that when there are two or more counts, the moving party must show that the earlier application constitutes a constructive reduction to practice for each count. There are cases where a disclosure in an earlier application would constitute a constructive reduction to practice for one count but not for another count.

Several changes have been made to § 1.637 which were not made as a result of a comment submitted from the public. Each occurrence of the language "Where appropriate," in § 1.637 has been deleted as being unnecessary and possibly confusing. Whenever a party wants or believes that it is entitled to benefit of an earlier application, the party must file a motion under § 1.633(f) for benefit. The language "Where appropriate" may have given parties the mistaken impression that a motion was not necessary where benefit of the earlier application had been accorded in the papers declaring the interference. See the discussion above of the suggested change to § 1.633(c) which was rejected.

The language "or adding a claim to be designated to correspond to a count" has been added to § 1.637(c)(2). The change supplements a change made in § 1.633(c)(2). Section 1.637(c)(2) sets out the requirements for a preliminary motion to redefine the interfering subject matter by adding a claim in the moving party's application and to designate the claim to correspond to a count.

In § 1.637(c)(2)(ii), the language "Apply the terms of each proposed claim to the disclosure of the application" has been changed to "Show that the proposed or added claim defines the same patentable invention as the count". This change was made to add the requirement of showing that the new claim defines the same patentable invention as the count and to eliminate a requirement already contained in § 1.637(c)(2)(iii).

Section 1.637(c)(2)(iii) was changed to refer to an "amended or added claim" and thereby conform the language of the section to the language of § 1.633(c)(2).

Paragraph (c)(5) was added to set out the requirements of a motion under § 1.633(c)(5) which permits a party to move to require an opponent who is an applicant to add a claim to the application and to designate the claim to correspond to a count. See Example 37.

Two comments were made concerning § 1.638. One comment suggested that the twenty-day period of paragraphs (a) and (b) were too short. The PTO has evaluated the time periods of paragraphs (a) and (b) and has decided that no change will be made to those periods. Attention is directed to the discussion above of the comments concerning § 1.636(b) which also contains a twenty-day period.

Another comment made at the hearing suggested that a reply to an opposition to a motion should be permitted as a matter of course. Upon consideration of the comment, it has been decided to authorize the filing of replies to opposition to all motions. Presently, replies are permitting as a matter of course only for oppositions to motions under 37 CFR 1.231. Section 1.638(b) , as changed, would permit the reply in every instance. The PTO over the years has received complaints concerning the inability of a party to file replies. The change being made in § 1.638(b) will be reviewed sometime in the future to determine whether authorizing replies is helpful to the Board and/or whether undue delay in resolving interference occurs because replies are filed. Moreover, the PTO will make a judgment on whether "new issues" are being raised as a matter of course in replies. It can thus be seen that the change in authorizing replies may be considered experimental and could be changed in the future if found to be counter-productive or inconsistent with the objective of resolving interferences in a relatively prompt manner.

One comment discussing § 1.639 was received. The comment states:

"The requirement that proofs of alleged material facts *must* be filed may be difficult or impossible to meet in view of the shortened times. [The] rule should make provisions for timely submission of proofs within reasonable times."

To the extent that the comment suggests setting specific times in the rules, the suggestion is not being adopted. It should be noted that if affidavits cannot be timely prepared to be filed with a motion, the moving party may wish to take advantage of paragraph (c) which requires a party to specify any testimony needed to resolve a motion.

One change was made in § 1.639(c) to make clear that a moving party or an opponent may describe any testimony needed to resolve a motion under either § 1.633 or § 1.634. Often, testimony is needed to resolve inventorship disputes. Accordingly, a party may describe testimony needed to resolve motions to correct inventorship under § 1.634. It should be noted that if a party relies solely on affidavits in support of a motion (under § 1.633 or § 1.634) and the issue raised in the motion is to be considered at final hearing, the party must comply with § 1.671(e).

Several comments were received which discussed § 1.640. One comment asked: "When the final sentence speaks of a panel deciding the request for reconsideration, does this mean that the panel decides whether to reconsider or whether to modify the decision?" It was the PTO's intent that the panel make a decision on whether to modify the decision made by the single examiner-in-chief. Accordingly, the language "shall be decided by a panel" in the last sentence of § 1.640(c) has been changed to read: "shall be acted on by a panel". Another change in language to the fourth sentence of § 1.640(c) has been made to make clear that a decision of a single examiner-in-chief will not ordinarily be modified by a panel without an opportunity to file an opposition.

Another comment suggested that § 1.640(a) be changed to "allow, even encourage, the examiner-in-chief to travel to conferences where more convenient/practical for all concerned." This suggestion is not being adopted. The use of a telephone conference call eliminates the need to adopt the suggestion. The same comment suggested that the "speedy and inexpensive" language of the second sentence of § 1.640(b) be deleted. The suggestion is not being adopted. The comment fails to explain why the language should be deleted. It is obvious that a motion cannot always be granted or denied; other action is often appropriate, e.g., deferring consideration of a motion to final hearing. Section 1.640(b) gives the examiner-in-chief discretion to take appropriate action and the "just, speedy, and inexpensive determination" language provides some standard which an examiner-in-chief may follow in those cases where granting or denying a motion is not appropriate.

One comment was received which suggested that § 1.640 be changed to provide that an examiner-in-chief hold a hearing to determine whether an interference should proceed in those cases where a junior party fails to allege a date prior to the senior party and remains in an interference only because the junior party is alleging "fraud" by the senior party. The suggestion is not being adopted. If a party believes that an opponent has committed "fraud" or has engaged in "inequitable conduct," the party may file a motion under § 1.633(a) for judgment. Obviously, a motion for judgment on the basis of "fraud" or "inequitable conduct" must make out a case by clear and convincing evidence. The examiner-in-chief has sufficient authority under the rules to preclude a party from proceeding in an interference on a baseless charge of "fraud" or "inequitable conduct."

One oral comment was received which suggested that the examiner-in-chief be required to consult with an examiner prior to deciding a preliminary motion for judgment under § 1.633(a) based on patentability. The oral comment suggested alternate proposals:

(1) The examiner-in-chief will normally obtain a patentability report when deciding motions involving a question of patentability.

(2) The examiner-in-chief will consult with a primary examiner prior to deciding a motion raising an issue of patentability.

The suggestion of the oral comment is not being adopted. An examiner-in-chief is a person having "competent legal knowledge and scientific ability." 35 U.S.C. 7 . Examiners-in-chief review decisions of examiners on question of patentability. Accordingly, there is no reason to *require* an examiner-in-chief to consult with an examiner on a question of patentability. The PTO recognizes that many examiners possess special expertise in particular arts. It is for this reason that § 1.640(b) provides that "[a]n examiner-in-chief *may* consult with an examiner in deciding motions involving a question of patentability" (emphasis added). Thus, an examiner-in-chief is authorized to consult with an examiner on a question of patentability where the examiner-in-chief believes consultation will be beneficial.

One comment suggested that § 1.642 be changed to permit an examiner-in-chief to add a newly discovered patent, as well as newly discovered applications, to an interference. Inasmuch as 35 U.S.C. 135(a) authorizes interferences between applications and patents, the suggestion is being adopted. The language "application" in § 1.642 has been changed to read: "application or patent".

Several comments discussing § 1.644 were received. One commentator made four suggestions, none of which are being adopted. First, the commentator suggested that there should be no fee for a petition under § 1.644(a)(1). This suggestion is not being adopted. A decision on a petition is a service performed by the PTO on behalf of a petitioner. The Commissioner is authorized to charge fees for services performed. 35 U.S.C. 41(d) . Second, the commentator suggested that the last sentence of § 1.644(d) be deleted. This suggestion is not being adopted. In the past when parties have filed petitions, copies of documents already in the interference file have been attached to the petition. The copies tend to increase unnecessarily the size of the file of an interference. Inasmuch as the document submitted with the petition is already in the interference, there is no need to file a "second" copy of the document. Parties can expect that petitions will be returned (§ 1.618) if the petition is accompanied by documents which are already in the interference file. Third, the commentator argued that the "requirement of service within one (1) day is too onerous and should be deleted" from § 1.644(g). No rationale was given in support of the argument. Petitions have caused considerable delay in interference cases in the past. To avoid unnecessary delay and surprise on the part of the opponent, the PTO has decided to require that service of a petition be such that delivery to the opponent is within one (1) working day. Service within one day should not ordinarily be difficult in view of "Express Mail" and numerous commercial one-day delivery services available. Lastly, the commentator suggested that § 1.644(i) be changed to provide that decision on a petition would not be delegated to the examiner-in-chief handling the interference. The suggestion to change § 1.644(i) is not being adopted. However, when a PTO employee is granted authority to decide a petition in an interference case, the employee would not be the examiner-in-chief handling the interference or an employee on a panel of the Board deciding the petition. It would be expected that an employee deciding a petition by delegation of authority would be one who could exercise independent judgment on the petition bearing in mind that a petition will be decided on the record made before the examiner-in-chief or the panel. In connection with this latter point, findings of fact by an examiner-in-chief or the Board will be presumed to be correct unless shown to be clearly erroneous. Discretionary action by an examiner-in-chief or the Board will not be overturned unless it is shown that an abuse of discretion occurred.

One commentator asked the following: "Is § 1.644(g) intended to apply only to 'oppositions' to § 1.644 petitions, or is it also applicable to § 1.638 oppositions?" The provisions of § 1.644(g) apply only to petitions filed under § 1.644; those provisions do not apply to oppositions under § 1.638.

Two comments suggested that § 1.644(a)(2) be changed to include an express statement that a petition under paragraph (a)(2) could not be filed until after the Board has entered judgment and that the petition could not relate to the merits of priority of invention or patentability or a question of whether evidence is admissible under the Federal Rules of Evidence. The suggestions are being adopted and appropriate language has been added to § 1.644(a)(2) after the word "Commissioner". The change was suggested by the commentators so that no reasonable person could possibly overlook the fact that a petition to exercise supervisory authority can be filed *only after entry of judgment.* It should be noted that the language "and shall not relate to (1) the merits of priority of invention or patentability or (2) the admissibility of evidence under the Federal Rules of Evidence" has been deleted from § 1.644(b) in view of the change to § 1.644(a)(2).

One comment suggested that the last sentence of § 1.644(f) be changed to make clear that a decision would not ordinarily be modified until the Commissioner had requested an opposition to a request for reconsideration. This suggestion has been adopted and an appropriate change has been made to the last sentence of § 1.644(g).

One comment suggested that the word "shall" in the last sentence of § 1.644(b) precludes the filing of an opposition beyond the 15-day period specified in the rules. According to the commentator the opposition should also be considered timely if filed within "any appropriate extension." A party may move to extend the time for filing an opposition. See § 1.645.

One comment argued that § 1.644(a)(1) cannot "be squared with the statute as interpreted in *Myers* [v. *Feigelman,* 455 F.2d 596, 172 USPQ 580 (CCPA 1972)]." The rationale in support of the comment is the following:

"I presume that the limitation in subparagraph (b) that a petition under subparagraph (a)(2) "shall not relate to the merits of priority of invention or patentability or ... the admissibility of evidence" is intended to avoid conflict with *Myers v. Feigelman,* 172 USPQ 580 (CCPA 1972), and its progeny. However, I read *Myers* as saying that, if the board has statutory authority to make a decision (including all the myriad of ancillary decisions that the panels and/or the single examiner-in-chief will be making under the new procedure), then the Commissioner does not have authority to review the board's or the single examiner-in-chief's decision. Or, to put it the other way around, if the Commissioner reviews an examiner-in-chief's decision, he is stepping into the shoes of the examiner-in-chief, and the Commissioner's decision is in turn reviewable by the panel (which is, of course, the only entity authorized to exercise the *statutory* jurisdiction of the board--see *Knickerbacker Toy Co.* v. *Faultless Starch Co.,* 175 USPQ 417 n.8 (CCPA 1972)). Thus, I don't see how proposed section 1.644(a)(1) can possibly be squared with the statute as interpreted in *Myers."*

It is true that the CCPA has stated that, "in performing his duties, the Commissioner cannot usurp the functions or impinge upon the jurisdiction of the Board ... established by 35 U.S.C. 135 ." *In re Dickinson,* 299 F.2d 954, 958, 133 USPQ 39, 43 (CCPA 1962). See also *Myers* v. *Feigelman, supra,* 455 F.2d at 599 n. 8, 172 USPQ at 583 n. 8. However, it is also true that the Commissioner "shall superintend or perform all duties required by law respecting the granting and issuing of patents. ..." 35 U.S.C. 6 ; *Kingsland* v. *Carter Carburetor Corp.,* 83 U.S. App. D.C. 266, 168 F.2d 565, 77 USPQ 499 (D.C.Cir. 1948); *In re Staeger,* 189 USPQ 284, 285 n. 2 (Comm'r.Pat. 1974). The Commissioner, subject to approval of the Secretary of Commerce, establishes the procedure by which the examiners-in-chief and the Board will consider interference cases. 35 U.S.C. 6 . See also 35 U.S.C. 23 relating to affidavits and depositions.

Under the rules, the Commissioner will not determine on petition either "priority of invention" or "patentability." See § 1.644(b). Likewise, the Commissioner will not consider whether evidence should have been admitted or excluded under the Federal Rules of Evidence. The PTO believes that the federal courts, which routinely rule on admissibility under the Federal Rules, are in a better position to determine whether the Board properly interpreted the Federal Rules of Evidence.

While the Commissioner will not decide "priority of invention" or "patentability" under 35 U.S.C. 135(a) , it does not follow that the Commissioner is precluded from interpreting PTO rules on procedural matters, including procedural matters related to the admissibility of evidence on some basis other than the Federal Rules of Evidence, e.g., whether a party has complied with a PTO rule such as § 1.671(e) (procedure for relying on affidavits) or § 1.671(g) (permission required for obtaining evidence by subpoena).

Full consideration has been given to the comment. The PTO nevertheless believes that § 1.644(a)(1) is not inconsistent with law.

Several comments concerning § 1.645 were received. One comment suggested that "to" be inserted in the first sentence of paragraph (a) before "file a notice of appeal" and "commence a civil action". According to the comment, "[t]he use of parallel infinitive verb forms provides greater clarity to the rule." The suggestion has been adopted.

Another commentator said the following:

"No good reason is seen to require a notarized oath from an attorney merely to explain why a paper was filed late, if there is no claim of substantive prejudice by other parties. Attorneys and examiners-in-chief should not be spending unnecessary time and effort on merely procedural formalities. That is contrary to the intent of the new rules."

The PTO agrees with the commentator and has deleted the language "accompanied by an affidavit" from § 1.645(b).

One comment suggested that a reference to § 1.610(d)(6) which provides for oral requests should be inserted into § 1.645 to reflect intent stated in the comments [of the notice of proposed rulemaking] on proposed § 1.645." This suggestion is not being adopted. As the commentator notes, § 1.610(d) authorizes an examiner-in-chief to hold a conference call to resolve issues and to enter an appropriate order following the conference call. A conference call may be used to obtain an extension of time. If the examiner-in-chief grants the request, an order may be entered--in which case a written motion is not necessary. The order provides the written record required by 37 CFR 1.2 . However, it would unduly lengthen the rules to insert a reference to § 1.610(d) in each rule to which it may be applicable. Section 1.645(a) specifies the procedure to be used when a written motion is filed. It should be noted that an examiner-in-chief may require a written motion notwithstanding a conference call.

One comment stated that "[t]he 'other business' may be more pressing than the Interference. In order to serve the ends of justice, the PTO should be considerate in this matter." The PTO intends to evaluate each request for an extension of time on a case-by-case basis. However, extensions of time in interference cases have become "routine." A recent survey of a file in one interference revealed the following. The interference was declared on March 30, 1976. Preliminary statements were filed on May 5, 1979. A decision on motions was entered on June 28, 1982. Testimony was filed on January 3, 1984. During the period between declaration and filing of testimony, sixty-four (64) requests or stipulations for extension of time were filed.

When counsel and an examiner-in-chief agree to a schedule and times are set, the parties will be expected to adhere to the schedule unless there are unusual circumstances. Apart from work that counsel may have in an interference, an examiner-in-chief will have a docket and must manage not only the interference involving counsel, but numerous other interferences. The U.S. Court of Appeals for the Federal Circuit recently said the following in *Rosemount, Inc.* v. *Beckman Instruments, Inc.,* 727 F.2d 1540, 1549-1550, 221 USPQ 1, 10 (Fed. Cir. 1984):

"The conduct of a trial, granting of continuances and the like, is not, however, solely or entirely a matter of balancing conveniences of the parties. The Federal Rules of Civil Procedure recognize another consideration--the need for the exercise of discretion by the trial court in carrying out its duty of managing the judicial process, the business of the court, and the administration of justice."

Likewise, these rules also recognize the need for the exercise of discretion by an examiner-in-chief in carrying out his or her duty of managing the interference (§ 1.610), the business of the PTO (§ 1.610), and the administration of justice (§ 1.601).

Several comments were received which discussed § 1.646. One comment suggested that it would be clearer if "service" was inserted after "additional" in the last sentence of § 1.646(b). This suggestion has been adopted.

Another comment suggested that "or except as otherwise provided in these Rules" be added to § 1.646(c) after "otherwise ordered by an examiner-in-chief". The commentator pointed out that the change was needed because certain rules (§ § 1.644(g) and 1.658(b)) require service by "Express Mail" or by hand. The commentator accurately pointed out that adding the suggested phrase "will call attention to the fact that there are other rules which have their own requirements for service of papers." The suggestion has been adopted, except that "this part" has been used instead of "these Rules."

One comment suggested changing "time" to "date" in the last sentence of § 1.646(e). The suggestion has been adopted. The change is necessary to conform with the language of the rule to actual practice and other language in the rule.

Two comments suggested that § 1.646(d), which authorizes an examiner-in-chief to order service by hand or "Express Mail," be deleted. This suggestion is not being adopted. The use of "Express Mail" or delivery by hand is often desirable to expedite matters or to avoid unnecessary delay. One comment argued that delivery by hand may be

prohibitive. Commercial couriers may be used to accomplish delivery by hand. The fee charged by most commercial couriers is not "prohibitive." The other comment argued that "there are circumstances when ... [delivery by hand] is [not] possible." The use of § 1.646(d) is discretionary on the part of an examiner-in-chief. If delivery by hand, i.e., personal delivery or delivery by commercial courier, or by "Express Mail" is impossible, it would be expected that the examiner-in-chief would exercise discretion and permit service by first class mail.

One comment suggested that the language "present case," which was said to appear in § 1.651(b)(1) and § 1.651(c), be changed to "prepared case." The suggestion is not being adopted because the language "present case" does not appear in § 1.651. In any event, a testimony period is set for a party to present its testimony--either case-in-chief or case-in-rebuttal.

One comment was received which made two suggestions regarding § 1.652. First, the comment suggested that a period longer than 15 days be set for filing a response to a paper answering an order to show cause. This suggestion is not being adopted. The fifteen-day period is believed to be adequate in most cases. If more time is needed, a party may file a motion under § 1.645. Second, the comment suggested that the party placed under an order to show cause should be permitted as a matter of course to file a "reply" brief. This suggestion is not being adopted. In those instances where the Board believes a "reply" brief is desirable it may authorize the filing of a "reply."

One comment argued that § 1.653(i) "fails to make provision for exhibits which are too big to file or are too dangerous to file." If an "exhibit" cannot be filed, it will not be given consideration. A party will have to rely on testimony and/or pictures or sketches for "exhibits" (e.g., a large machine in a factory) which are too large or too dangerous to be filed in the PTO.

While no comments were received concerning § 1.654, it should be noted that a new paragraph (c) has been added and paragraph (c) as set out in the notice of proposed rulemaking has been redesignated as paragraph (d). New paragraph (c) provides that a party shall not be entitled to argue that an opponent abandoned, suppressed, or concealed an actual reduction to practice unless a notice under § 1.632 was timely filed.

Two comments discussing § 1.655 were received. The first comment made the following statement regarding § 1.655(a):

"Last sentence--interlocutory orders are reviewed only for 'manifest error' etc. It is not clear whether this includes show cause orders under § 1.640 resulting from unpatentability determined under § 1.633(a). However, if so, it precludes proper review of the patentability determination."

Patentability will initially be determined by a single examiner-in-chief. See § § 1.610(a) and 1.640(b). If the examiner-in-chief determines that a claim of a party is unpatentable to that party, an order to show cause why judgment should not be entered as to that claim will be issued to that party. See § 1.640(d). If a response to the order to show cause is filed, a decision will be entered by the Board. See § § 1.610(a) and 1.640(e). If the Board determines that the claim is not patentable to the party, a final decision and judgment will be entered holding the claim to be unpatentable. Review of the final decision and judgment is by judicial review under 35 U.S.C. 141 or 146 . It should be noted, however, that if there are other claims in the party's application or patent which are deemed to be patentable, an interlocutory order would be entered holding only that certain claims are unpatentable. A final order holding those claims unpatentable would be entered after final hearing on other issues. Such a practice will avoid piecemeal judicial review.

Another comment suggested that § 1.655 be changed to preclude consideration of patentability at final hearing. Pub. L. 98-622 authorizes consideration of patentability assuming patentability is properly raised by a party during the interlocutory phase of an interference.

Two comments discussing § 1.656 were received. One comment suggested that "[b]riefs should be letter size for consistency." The PTO has no preference for the size of briefs. Briefs may be filed on letter or legal-size paper. Inasmuch as the federal courts now require letter-size paper, parties who intend to use a PTO brief as an exhibit in a federal court should use letter-size paper.

Another comment suggested that § 1.656 be amended to preclude a single examiner-in-chief from ruling on admissibility of evidence. The introductory remarks to the notice of proposed rulemaking (and this notice) state that "[t]he examiner-in-chief, *where appropriate,* will be available by phone to rule on the admissibility of evidence in the event parties encounter *unusual* problems during the taking of depositions" (emphasis added). The commentator states: "

If an examiner-in-chief has ruled certain evidence inadmissible, that evidence would presumably not be before the Board at final hearing. Proposed Rule 1.656(h) provides a means for a party to obtain suppression of evidence to which he has made timely objection, but the Rule does not provide for any means for a party whose proffered evidence has been held inadmissible by the examiner-in-chief, to have that holding considered by the Board."

The change suggested by the comment will not be adopted. However, a brief explanation of how practice is expected to work is in order. The introductory remarks indicate that a single examiner-in-chief may rule on admissibility of evidence "where appropriate" and in "unusual" circumstances. There are times during interferences where a motion *in limine* can be helpful. For example, a junior party during its case-in-chief may wish to examine a witness on a document which was *not* served as required by § 1.673(b)(1). The senior party objects and realizes that if the junior party is permitted to examine the witness on the document, extensive cross-examination using numerous documents would be necessary. In order to avoid wasting considerable time, the parties could contact the examiner-in-chief by phone for a determination *in limine* whether the junior party should be able to examine the witness on the document. Under the circumstances outlined the examiner-in-chief in his or her discretion could enter an order excluding the document from evidence. The order would be subject to a request for reconsideration. See § 1.640(c). Ordinarily, however, it would be expected that parties would present evidence subject to objection. See § 1.675(c), last sentence. It is not envisioned that single examiner-in-chief will routinely rule on the admissibility of evidence.

Several comments discussing § 1.658 were received. One comment suggested that the 14-day time period in § 1.658(b) is too short. Section 1.658(b) provides that a party may file a request for reconsideration within 14 days of a final decision by the Board. The 14-day time period is the same period authorized for filing requests for reconsideration by the U.S. Court of Appeals for the Federal Circuit. See Rule 40(a) Of the Federal Rules of Appellate Procedure .

Several individuals suggested that a less restricted "interference estoppel" be set out in § 1.658(c). While full consideration has been given to the suggestion, it has been decided to retain in these rules the interference estoppel provisions of § 1.658(c) essentially as proposed. "Interference estoppel" under § 1.658(c) is designed to implement the PTO's intent to have as many issues resolved as possible in a single *inter partes* proceeding. Numerous examples in this notice illustrate how practice is expected to take place under § 1.658(c).

The language in the second sentence of § 1.658(c) has been changed to more clearly state the nature of the estoppel and the exception to estoppel. The word "counts" in the second sentence of § 1.658(c) means the counts as they exist at the time a final decision is entered.

One comment was received concerning § 1.658(c) which requires a specific answer. The commentator made the following statement:

"You state than an estoppel would not apply against a party awarded a favorable judgment as to *all* counts. However, it seems to me that there will be occasion when it would not be appropriate to have estoppel where there was a split decision. For instance, consider an interference between applicants A and B in which A was awarded priority as to count 1 and B was awarded priority as to count 2. If I understand you correctly, A would be estopped in post-interference *ex parte* practice to present an additional claim X which was patentably indistinct from his claim corresponding to count 1 if B had support for claim X. I think this result would be unfortunate, and that A should be permitted to further refine his claim structure after the interference--that is, after he has been assured that he is entitled to claims to the basic invention recited in count 1."

Under the circumstances described by the commentator, inventor A would *not* be estopped to present a claim to X because X is "patentably indistinct" (the proper terminology under the rules would be to say X is the "same patentable invention" as the subject matter of count 1) from the subject matter of count 1. Inventor A would be entitled to claim any disclosed invention which is directed to the "same patentable invention" as count 1. The change in the second sentence of § 1.658(c) more clearly reflects the PTO's intent in this regard. Inventor A would *not* be entitled to claim any invention which is the "same patentable invention" as the subject matter of lost count 2. See Examples 26, 27, and 28 for illustrations of interference estoppel practice when a "split" judgment is entered.

Two comments were received discussing § 1.659. One comment suggested that the first sentence of § 1.659(b) should "reflect" that a reexamination may be based only on patents and printed publications. The suggestion is not being adopted. The basis upon which a reexamination may be instituted are set out elsewhere in the statute and rules. 35 U.S.C. 301-306 ; 37 CFR 1.501-1.570 . There is no further need to set that basis out again in § 1.659(b). Another

comment suggested that the language "not involved in the judgment of the interference" be deleted from § 1.659(b). The rationale in support of the comment was as follows:

"Besides introducing a potential ambiguity as to what claims were 'involved in the judgment,' there does not appear to be any good reasons to draw this distinction, particularly unless it is made more specific. Why should the Board be prevented from recommending reexamination of some (less relevant) patent claims and not other patent claims which are potentially even more relevant to the public, unless *all* of the *same art* has already been fully evaluated against the *same claims* in the Board's decision?" (emphasis in original).

When a patent is involved in an interference, each claim of the patent will be designated to (1) correspond to a count *or* (2) not correspond to a count. All claims which are *ultimately* determined to correspond to a count will be "involved in the judgment of the interference." Inasmuch as they are involved in the judgment of the interference, there is no need to recommend reexamination of those claims. The claims involved in the interference are either patentable or unpatentable based on the final decision of the Board. Section 1.659(b) merely authorizes the Board to recommend reexamination of patent claims which (1) are *not* involved in the judgment and (2) for one reason or another neither party saw fit to move to designate as corresponding to a count.

One comment was received which suggested that the requirements of § 1.660 are unnecessary. The PTO disagrees. The requirements of § 1.660 are designed to keep the PTO and a party's opponent informed of activity which is relevant to an interference. These rules attempt, to the extent possible, to eliminate procedural surprise. Inasmuch as mail delays occur and the PTO cannot react instantaneously to every paper filed in connection with every application or patent, the provisions of § 1.660 are believed helpful in preventing surprise on the part of opponent's and unnecessary work by examiners-in-chief or the Board due to a lack of knowledge of relevant activity which may be taking place in the PTO.

One comment suggested that at the end of § 1.661 the following be added: "and the time for any such available appeal or review has expired." The suggestion is not being adopted. Section 1.661 already provides for finality when "no appeal ... can be taken. ..." The language finds antecedent basis in 35 U.S.C. 135(a) .

Several comments discussing § 1.662 were received. Two comments suggested a change be made to provide that when a patentee files a statutory disclaimer under 35 U.S.C. 253 and deletes *all* claims corresponding to a count, the disclaimer will be treated as a request for judgment. As one of the comments pointed out, "[s]ince ... [the filing of a statutory disclaimer disclaiming all claims corresponding to a count] by the patentee could have no other conceivable effect, the proposed rule should be changed to require judgment when all corresponding claims are disclaimed." The suggestion has been adopted and appropriate changes have been made to § 1.662(c). In view of the changes, the following language in § 1.662(c), as proposed, is not necessary: "A statutory disclaimer of any claim involved in an interference shall in subsequent proceedings have the same effect with respect to the patentee as an adverse judgment." When a patentee disclaims less than all claims corresponding to a count, the claims which remain in the patent continue to be involved in the interference and any patentability or priority issues involving those remaining claims will be involved in the judgment on the merits in the interference.

Two comments suggested that the word "dissolved" in § 1.662(d) be changed to "terminated". This suggestion is being adopted, because § 1.662(d) has been deleted. However, all interferences will be terminated with a "judgment." A change has been made in the language of § 1.11(a) to delete any reference to terminating an interference other than by judgment.

One comment suggested that the word "construed" in § 1.662(a) be changed to "treated". This suggestion has been adopted and more clearly states the intent of the PTO. The filing of the various papers mentioned paragraphs (a) and (c) of § 1.662 will result in certain action by the PTO. The word "treated" more appropriately describes the consequences of filing such papers.

One comment suggested that § 1.662(a) "is too sweeping." According to the commentator, a patentee may file a disclaimer because it has "become aware of a statutory bar or cannot afford the expense of an interference." If the patentee becomes aware of a statutory bar, the patentee should call the "bar" to the attention of the PTO or file an appropriate motion under § 1.633(a) for judgment if the "bar" applies to the opponent. If a junior party patentee decides that an interference is too expensive and for that reason files a disclaimer, there is no reason why judgment should not be entered in favor of the opponent. The comment also suggested that § 1.662(c) "needs revision" because a patentee may disclaim one claim corresponding to a count, but not another. Section 1.662(c), as revised, takes into account the possibility that less than all claims corresponding to a count may be disclaimed. When some of the patent claims

corresponding to a count are disclaimed, the interference proceeds on the basis of the remaining claims which correspond to the count. If all patent claims corresponding to a count are disclaimed, judgment will be entered.

One comment made the following statement regarding the third sentence of § 1.662(a):

"What of abandonment in favor of a CIP [continuance-in-part application]? Would this be construed as [a] request to enter [an] adverse judgment? Language should reflect procedural moves of substituting CIP for abandoned application and/or declaring new interference."

The third sentence of § 1.662(a) does not apply to an application which is *not* involved in an interference. If an applicant files a continuation-in-part application and successfully moves (§ 1.633(d)) to substitute the continuation-in-part for the application involved in the interference, abandonment of the application originally involved in the interference would have no bearing on the interference. Accordingly, no additional language is needed in § 1.662(a).

Two comments discussing § 1.663 were received. One comment suggested that an explanation of the status of patent claims involved in an adverse judgment should be stated in the rule. This suggestion is not being adopted. The status of patent claims involved in an adverse judgment is stated in 35 U.S.C. 135(a) . Another comment suggested that the status of "claims which could have been counts ... should be made of record." Unless a motion (§ 1.633(c)) to add claims to correspond to counts is filed, no reference will be made in a judgment as to claims "which could have been made counts."

One comment suggested that the language "then owned by either party but" be inserted after "application" in § 1.665. This suggestion is not being adopted. The language "same parties" in § 1.665 is intended to cover a party and any assignee. The suggested language "then owned" would narrow the scope of the rule in a manner not intended by the PTO.

An oral comment at the hearing suggested that § 1.671(e) be changed so that a party would not have to serve copies of affidavits relied upon under § 1.608(b) in those cases where an opponent had already obtained copies of the Rule 608(b) affidavits. This suggestion is not being adopted. See the discussion above answering comments related to § 1.612(b). Another comment made at the hearing noted that the PTO is "adopting" the Federal Rules of Evidence. The Federal Rules include a "shop book" rule-- Rule 803(b)(6) . The commentator expressed the view that adopting of a "shop book" rule might make an important change in evidence which is admissible in interferences and suggested that "it would be helpful if the Patent and Trademark Office would publicly comment on this extremely important evidentiary rule. ..." The PTO believes that adoption of Rule 803(b)(6) of the Federal Rules of Evidence does not constitute a change in the admissibility of "shop book" evidence in interference cases. Rule 803(b)(6) is very similar to the former Federal Shop Book Rule (28 U.S.C. 1732) which it replaced. The courts have articulated a rule of law which the PTO will continue to apply in determining admissibility of laboratory note books under the "shop book" Rule 803(b)(6) of the Federal Rules of Evidence . See e.g., *Alpert* v. *Slatin,* 305 F.2d 891, 134 USPQ 296 (CCPA 1962) and *Elliott* v. *Barker,* 481 F.2d 1337, 179 USPQ 100 (CCPA 1973).

One comment suggested that § 1.671(f) be eliminated on the ground that a rule should not be used to train attorneys and agents. The suggestion is not being adopted. The problem addressed by § 1.671(f) is significant. By providing in the rules that documentary evidence must be explained, the PTO hopes to save both parties and the Board considerable difficulty in presenting and evaluating evidence.

One comment suggested that § 1.671(g) should be changed to require a party only to show the "relevancy" of expected testimony as opposed to the "admissibility" of the testimony. This suggestion is being adopted and an appropriate change has been made to § 1.671(g) to require a moving party to "describe the general nature and the relevance of the testimony, document, or thing."

An oral comment was received which asked whether permission to issue a subpoena would be needed in the event a party seeks to call a witness under the control of an opponent. Ordinarily, the examiner-in-chief can order a party to produce an individual for a deposition as long as the individual is a party or is under the control of the party, e.g., an employee of an assignee. Where so-called "third parties" are concerned, however, issuance of a subpoena may be necessary, because the PTO has no authority to compel the attendance of third parties.

Several comments concerning § 1.672 were received. One comment at the hearing pointed out that use of 8 1/2 by 11 inch paper for affidavits appears to be optional. The commentator is correct in pointing out that the use is optional. By using 8 1/2 by 11 inch paper, however, a party will save considerable time when filing a record (§ 1.653).

Two comments asked questions concerning § 1.672(b), and in particular, the meaning of the word "party" in the phrase "a party shall not be entitled to rely on any document or thing not mentioned in one or more of the affidavits. ..." Specifically, one commentator stated:

"It is the scope of the words "the party" which leave doubt as to the meaning of the passage. If "the party" refers *only* to the party proffering the affidavit testimony, then the passage is fair since such party had the opportunity to use whatever documents it deemed favorable to its position. But if "the party" also encompasses the opponent, i.e., the cross-examining party not proffering the affidavit testimony, then the passage improperly restricts the scope of cross-examination. Surely, the proponent party cannot, simply by confining the affidavit to favorable documents, insulate the witness from cross-examination on unfavorable documents."

Section 1.672(b) refers to a "party" and an "opponent." The "party" is the party filing the affidavit and not an opponent of that party. Any "opponent" conducting cross-examination of an affiant may properly rely on documents and things not referred to in the affidavit.

One comment suggested that the language "a witness whose testimony will not be compelled under 35 U.S.C. 24 " should be deleted or revised. According to the commentator:

"This is often not determinable in advance. Even a "voluntary" witness may develop cold feet and require a subpoena, or demand one for his own protection. Nor will all witnesses agreeable to affidavits be agreeable to depositions."

The suggestion is not being adopted. An affidavit may be used only when a witness agrees to sign the affidavit. If an individual refuses to sign an affidavit or voluntarily appear at a deposition, the party calling the witness will have to compel attendance at a deposition by a subpoena under 35 U.S.C. 24 after receiving permission from an examiner-in-chief.

One comment asked why there is "no express provision * * * [in the rules] for simply taking appropriate testimony of an adverse party by notice * * * rather than requiring a subpoena?" In many cases, notice will be sufficient inasmuch as an examiner-in-chief or the Board may generally order an adverse party to appear and give testimony. Thus, in many cases a subpoena is not needed to require attendance at a deposition of an adverse party.

Two comments suggested that a time be set out in the rules by which an affidavit should be filed. The suggestion is being adopted and the second sentence of § 1.672(b) has been changed to provide that affidavits shall be filed prior to the close of the party's relevant testimony period. The two comments also suggested that the rules specify that documents relied upon in an affidavit be filed with the affidavit. This suggestion is also being adopted by an appropriate change to § 1.672(b) which will provide that a party cannot rely on any document referred to in an affidavit unless a copy of the document is filed with the affidavit. Any document filed with an affidavit must also be served (§ 1.646). Section 1.672(b) will also provide that a party may not rely on any "thing" mentioned in an affidavit unless the opponent is given reasonable access to the "thing." A "thing" is something other than a document. The comments has suggested that the "things" be limited to those under the possession, custody, or control of the party submitting the affidavit. This suggestion is not being adopted. If a "thing" is not under the possession, custody, or control of a party, the party should resort the use of a deposition and compel production of the "thing" by a subpoena under 35 U.S.C. 24 .

Four comments were received discussing § 1.673. It was suggested that the time for service under § 1.673(b) be three days if service is accomplished by hand or "Express Mail" and ten days if service is accomplished by any other means. This suggestion is being adopted. An appropriate change has been made in the introductory sentence of § 1.673(b). It was also suggested that the word "copy" in § 1.673(b)(1) be changed to read "list and copy". In support of the suggestion, one commentator states:

"In connection with the service of documents, the amendment to the proposed rule would require that a listing of documents accompany the documents themselves. This would permit cross-checking between lists and documents to ascertain whether or not discrepancies exists and reduce the possibility for later controversy."

The suggestion is being adopted. Under § 1.673(b)(1) a list of the documents would have to accompany the documents. One comment suggested that documents served should be "Bates numbered." While this suggestion is not being adopted in the sense of changing the language of a rule, it must be remembered that the party serving documents may be

required to later prove exactly what was served. Using "Bates" numbers or an equivalent scheme may prove invaluable in later stages of an interference.

One comment discussing § 1.682 suggested that the language "not identified on the record during the taking of testimony of a witness" be deleted. This suggestion is not being adopted. If an official record or printed publication is made an exhibit during a deposition or in an affidavit, it need not be submitted under § 1.682. Section 1.682 permits a party to make an official record or printed publication part of the evidence being considered at final hearing without calling a witness. The official record or printed publication must, however, be self-authenticating. On the other hand, a party may present the official record or printed publication as an exhibit during testimony. When this latter course is followed, there is no need to take advantage of the provisions of § 1.682. The comment also suggested that a change be made in § 1.682(a)(4) because the requirement therein for a "certified" copy appeared to be inconsistent with § 1.671(d) which provides that a record of the PTO need not be certified. The suggestion is being adopted by adding "where appropriate" at the beginning of § 1.682(a)(4) and a reference to § 1.671(d) at the end of § 1.682(a)(4). If the official record is not a record of the PTO, it will be necessary to submit a certified copy of the official record.

Comments were received discussing § 1.684. One comment suggested that language be inserted in § 1.684(a) to make clear that the testimony authorized is for a case-in-chief or a case-in-rebuttal. The suggestion is not being adopted. The testimony authorized by § 1.684(a) is necessarily testimony for a case-in-chief or a case-in-rebuttal. The commentator correctly notes that the use of written interrogatories under § 1.684 "for cross-examination would seem neither appropriate or justified." Section 1.684 does not apply to cross-examination. If a party submits an affidavit under § 1.672(b) or intends to rely on an affidavit under § 1.617(e), the party must make the affiant available for cross-examination at a deposition. See § 1.673(e). A deposition may be noticed only "for a reasonable time and place in the United States." See § 1.673(a). Accordingly it is not expected that § 1.684(a) will be used to cross-examine affiants residing in foreign countries. The party filing the affidavit will be required to make the affiant available for cross-examination in the United States.

One comment suggested that the provisions of § 1.685(d) are "harsher" than the corresponding provisions of 37 CFR 1.285(c) . The comment is not fully understood. Section 1.685(d) requires an objection to be stated on the record. An objection to the admissibility of evidence must be stated on the record *and* a motion under § 1.656(h) renewing the objection at final hearing must be filed. No longer will a party be permitted to attend a deposition and fail to enter an objection only to raise the objection at final hearing. The current practice permits a party to delay the objection until it is often too late to permit an opponent to correct the evidentiary basis on which the objection is bottomed.

One comment suggested that the second sentence of § 1.687(b) ("If the witness refuses to produce a requested document or thing, the party may file a motion (§ 1.635) for additional discovery under paragraph (c) of this section.") be deleted. This suggestion is being adopted, the PTO agrees with the following remark by the commentator: "[o]mission of the sentence is recommended since it is clear from [paragraph] (c) [of § 1.687] that such a motion could be made in an appropriate case."

One comment at the hearing suggested that the PTO's inability to enter protective orders makes discovery unduly complicated. The commentator suggested that under § 1.687(c), as set out in the notice of proposed rulemaking, it is possible to obtain appropriate protective orders. The commentator correctly concedes that the maximum sanction which the PTO can enter upon a proven violation of a PTO entered protective order is judgment. See § 1.616. The commentator suggested, however, that additional discovery may be conditioned on the issuance of a subpoena *duces tecum* under 35 U.S.C. 24 . Upon issuance of the subpoena, the commentator stated that the opponent could move the district court for entry of a protective order. If a party violates a protective order entered by a district court, the party would be subject to such sanctions as the district court might deem appropriate as well as a sanction by the PTO, including entry of judgment against the party. The PTO, unlike the district court, would not be able to apply a sanction after an interference is terminated.

The Commentator's suggestion is believed to be sound. No change in the language of § 1.687(b) is believed to be necessary inasmuch as paragraph (b) authorizes the PTO to "specify the terms of conditions of such additional discovery." One of those terms could be requiring a party to issue a subpoena under 35 U.S.C. 24 . By making a party proceed in the first instance in the PTO, appropriate PTO orders may be entered suggesting the scope of any protective order and stating the underlying basis for requiring a party to produce documents. The order could be of assistance to the district court in subsequent enforcement or contempt proceedings.

Additional discovery obtained under protective order issued by either the PTO or a district court will not be admitted in evidence in the PTO in determining the interference. All evidence submitted in an interference must be

made available to the public under the provisions of § 1.11(a). Accordingly, any protective orders have to be vacated before a document could be admitted in evidence in the PTO which is subject to a protective order.

Example 38 illustrates how the practice would work.

Example 38. An interference involves party X and party Y. During the interference, party X files a motion for additional discovery under § 1.687(c) asking that party Y be required to produce certain documents. Party Y opposes on the sole ground that the documents contain trade secret and confidential information. Party Y indicates that it has no objection to producing the documents for inspection by counsel for party X, but insists that party X not be permitted to inspect the documents. Accordingly, party Y asks the examiner-in-chief to authorize the discovery subject to entry of a protective order. Party Y argues, however, that the sanctions of § 1.616 are not sufficient in the event of a violation of the protective order. An examiner-in-chief concludes that additional discovery should be ordered, that a protective order is appropriate, and that the sanctions of § 1.616 are not sufficient in the event of a violation of the protective order. Under the circumstances, the examiner-in-chief would enter an order directing party Y to produce the documents for inspection by counsel of party X on the condition that party X seek production of the documents by a subpoena *duces tecum* under 35 U.S.C. 24 . Upon issuance of any subpoena, party Y could move the district court for entry of a protective order. If the district court enters the protective order, party Y can produce the documents to counsel for party X. If the protective order of the examiner-in-chief is violated, an appropriate sanction up to and including judgment may be entered by the Board. In addition, party Y would be in a position to seek contempt or other sanctions in the district court. The documents produced for inspection by counsel for party X could not be admitted in evidence in the interference (until the protective order is vacated), because those documents are not documents which can be made available to the public under § 1.11(a).

The following is an anticipated time schedule for a two-party interference:

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