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Paper 59
Filed: February 6, 2009

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

FRANCIS **BARANY**,
GEORGE BARANY, ROBERT P. HAMMER,
Junior Party
(Application 09/986,527),

v.

GLENN H. **McGALL**,
CHARLES G. MIYADA, MAUREEN T. CRONIN,
JENNIFER D. TAN, and MARK S. CHEE
Senior Party
(Patent 6,156,501).

Patent Interference No. 105,351
(Technology Center 1600)

Decision - Interlocutory Motion

Barany seeks reconsideration of the oral decision that this interference will proceed to the priority phase. The request is denied.

History

During the prosecution of its Application 09/986,527, Junior Party Barany requested that an interference be set up with Senior Party McGall's Patent 6,156,501. Application 09/986,527, Showing by Applicant under 37 CFR § 1.608(b), filed January 28, 2002. At that time, the application had not been examined. After lengthy prosecution before the examiner, this

interference was declared. Paper 1. The count was a combination of Barany's and McGall's independent claims:

> Any of claims 15, 25, 28, 35, 36, or 37 of Barany (09/986,527)
> or
> any of claims 1, 26, 35, 51 or 58 of McGall (6,156,501).

Paper 1, p. 4. Barany was accorded an effective filing date of February 9, 1996. Paper 1, p. 5. McGall was accorded an effective filing date of May 10, 1995. Thus, McGall is the Senior Party.

During the "motions" phase of the interference, Barany filed a number of motions including a motion asserting that McGall's patent claims were unpatentable because they were not supported by an enabling disclosure. Paper 32. McGall neither filed oppositions nor any motions of its own. A panel of the board granted the enablement motion, holding all of McGall's patent claims were unpatentable. Paper 49, p. 12-20. As a result, the interference was redeclared with a new count, which eliminated all reference to McGall's unpatentable claims. Paper 50, p. 1.

Because all of McGall's claims were unpatentable, an APJ ordered McGall to show cause why this interference should continue. Paper 51. McGall responded. Paper 53. McGall argued that Barany had not overcome McGall's accorded benefit date for the subject matter of the count and Barany's claims were unpatentable under 35 U.S.C. § 102(g). Paper 53, p. 3-4. At a telephone conference call on January 5, 2009, the APJ orally ruled that the interference would proceed to priority. During the call, Barany asked and was authorized to file a miscellaneous motion seeking reconsideration of that decision. Paper 54, p. 1-2.

Barany filed the motion. Paper 55. Barany argues that the board has discretion to enter judgment without deciding priority and that judgment

should be entered against McGall because (1) since McGall's claims are unpatentable there no longer is an interference-in-fact between the parties; (2) 35 U.S.C. § 102(g) is not a legal impediment to the issuance of Barany's patent and (3) McGall has not actively participated in the interference.

Analysis

The board has broad discretion to decide how an interference will proceed. Thus 37 CFR § 41.104(a) provides:

> (a) The Board may determine a proper course of conduct in a proceeding for any situation not specifically covered by this part and may enter non-final orders to administer the proceeding.

The board also decides which motions may be filed and the order in which the motions will be decided. 37 CFR §§ 41.121 and 41.125(a). Ultimately what issues will be decided depends on a case-by-case analysis.

There are circumstances where an interference will be terminated without reaching priority. The board's rules identify three narrow threshold issues that may result in termination of the interference without reaching priority: (1) no interference-in-fact; (2) where a party-applicant's interfering claims are barred by the opponent's patent claims under 35 U.S.C. § 135(b) and (3) where an applicant adds claims to provoke an interference and the added claims do not have written descriptive support. 37 CFR § 41.201.

Each of these situations provide a strong reason to stop the interference without reaching priority. A holding of no interference-in-fact says the parties are claiming patentably distinct subject matter. Since the parties are not claiming the same invention, who is first to invent is irrelevant.

A holding that that a party-applicant's claims are barred by the party-patentee's claims under § 135(b) says because of applicant's tardiness in

claiming interfering subject matter, he will not be permitted to challenge the patentee's right to the patent claims by means of an interference. Between the two parties, who is the first inventor simply does not matter.

When claims added to provoke the interference do not have written descriptive support, the provoking party, in effect, got into the interference under false pretenses. Since the applicant's original specification never conveyed possession of the interfering subject matter, it is inappropriate and manifestly unfair to allow the applicant to attempt to challenge the patentee's rights.

There are of course, additional situations where it would be appropriate to exercise discretion to terminate the interference without reaching priority. For example, where all of a Junior Party patentee's claims are held to be unpatentable, there would appear to be little reason to evaluate priority. A patent versus application interference may be considered as a proceeding to assist the examiner in deciding whether the patent stands in the way of allowing the application to issue. The fact that the patent claims are unpatentable and the patentee is presumptively the second inventor would seem to provide the examiner with the answer that the patent is not an impediment to allowing the application to issue. On the other hand, it is possible that the patentee might be able to present a convincing factual story that priority should be determined notwithstanding unpatentability of the claims and the presumption that the patentee is the second inventor.[1]

[1] Interferences have been resolved on the basis of unpatentability without deciding priority (*Berman v. Housey*, 291 F.3d 1345 (Fed. Cir. 2002); on the basis of the patentability of less than all of the claims (*Noelle v. Lederman*, 355 F.3d 1343 (Fed. Cir. 2004); on the basis of priority without deciding patentability (*In re Sullivan*, 362 F.3d 1324 (Fed. Cir. 2004) and on the basis

Barany argues that since McGall's claims are unpatentable there is no interference-in-fact.

Barany's argument misapprehends the meaning and purpose "interference-in-fact."

The determination of an interference-in-fact involves a comparison of the parties' claimed subject matter to determine if they are claiming patentably indistinct subject matter. The interference-in-fact question is "are the parties claiming the same invention?" As defined in 37 CFR § 41.203(a) the parties claim interfering inventions when "the subject matter of a claim of one party would, if prior art, have anticipated or rendered obvious the subject matter of a claim of the opposing party and vice versa." The existence of an interference-in-fact under the rule, however, does not depend on patentability over the prior art or under 35 U.S.C. § 112. The holding that McGall's claims are unpatentable does not mean that the subject matter claimed by the parties' is not directed to the same invention. And Barany, having suggested the interference, is not in a position to argue that its claims do not interfere with McGall's.

Patentability of the claims is important, not for the existence of interfering subject matter, but as a prerequisite to an evaluation of whether there is interfering subject matter. Prior to initiating an interference, examination must be complete and each party must have an allowable claim. 37 CFR § 41.102. Whether an interference in fact exists is simply not considered until after examination is complete and the claims are allowable.

The holding that McGall's claims are unpatentable does not establish no interference-in-fact.

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of both priority and patentability (*Perkins v. Kwon*, 886 F.2d 325 (Fed. Cir. 1989).

Barany also argues that McGall is no longer an impediment to the issuance of a patent to Barany under 35 U.S.C. § 102(g).

Section 102(g) in relevant part states:

> A person shall be entitled to a patent unless - . . . (g)(1) during the course of an interference . . . another inventor involved therein establishes. . .that before such person's invention thereof the invention was made by such other inventor and not abandoned, suppressed, or concealed, ...

McGall's benefit application is a conception and constructive reduction to practice of everything described and enabled in the specification. *See Stevens v. Tamai*, 366 F.3d 1325,1330-31 (Fed. Cir. 2004); *Hyatt v. Boone*, 146 F.3d 1348, 1352 (Fed. Cir. 1998); *Kawai v. Metlesics*, 480 F.2d 880, 885-86 (CCPA 1973). McGall's accorded benefit date is earlier than Barany's effective filing date. Thus, McGall is the presumptive first inventor of the subject matter described and enabled in McGall's patent. 37 CFR § 207(a).

Barany has not established, in this interference proceeding, that it made the invention of the count before McGall's date of invention, i.e., McGall's accorded filing date, as required by 35 U.S.C. § 102(g). Barany's ex parte submissions under 37 CFR § 1.608(b) (2002) (Application 09/986,527, Showing by Applicant under 37 CFR § 1.608(b), filed January 28, 2002) were sufficient to have the interference declared and avoid summary judgment under 37 CFR § 1.617 (2002). However, Barany has not yet submitted proofs that meet the requirements of the current interference rules. Additionally, McGall has not had an opportunity to cross examine Barany's witnesses or to submit proofs of his own.

McGall's patent has not been removed as an impediment to the issuance of Barany's claims under 35 U.S.C. § 102(g).

Barany also asserts that the interference should be terminated because McGall has not meaningfully participated in the interference.

Barany is correct to the extant that McGall has not substantively participated. However, as long as McGall complies with procedural requirements of the board, he doesn't have to take any additional action, including filing motions or oppositions. The status quo of the interference is presumptively correct. A party wishing to change the status quo must file a motion and show why the status quo should be changed. In other words, the movant has the burden of proving entitlement to the relief requested. 37 CFR § 41.121(b). That burden must be met whether or not the motion is opposed. The status quo of this interference is that McGall is the presumptive first inventor of the subject matter of the count and remains so until such time as Barany proves otherwise.

The circumstances of this interference favor proceeding to the priority phase.

Order

Barany's request to terminate this interference with a judgment on priority against McGall is denied.

This interference shall proceed to the priority phase on the schedule set in Paper 54, p. 3.

On or before March 9, 2009, or within fourteen days of the filing of Barany's motion for priority, which ever is later, McGall shall file a paper advising the board if it intends do any of the following: (1) cross-examine Barany's witnesses; (2) file its own motion for priority or (3) file an opposition to Barany's priority motion.

/Richard E. Schafer/
Administrative Patent Judge

cc (via electronic filing):

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