

The opinion in support of the decision being entered today is not binding precedent of the Board.

Paper 70

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

SHMUEL CABILLY, HERBERT L. HEYNEKER, WILLIAM E. HOLMES,
ARTHUR D. RIGGS and RONALD B. WETZEL,

Junior Party,
(Application 07/205,419),

v.

MICHAEL A. BOSS, JOHN H. KENTEN,
JOHN S. EMTAGE and CLIVE R. WOOD,

Senior Party
(Patent 4,816,397).

Patent Interference 102,572 (McK)

Before: McKELVEY, Senior Administrative Patent Judge, and
SCHAFER and TORCZON, Administrative Patent Judges.

McKELVEY, Senior Administrative Patent Judge.

FINAL ORDER AFTER DISTRICT COURT JUDGMENT

a. Introduction

On 1 June 2001, the board received the following papers
filed by Cabilly:

- i. CABILLY REQUEST FOR ASSIGNMENT TO NEW APJ [ADMINISTRATIVE PATENT JUDGE] (Paper 63).
- ii. Certified copy of a NOTICE OF SETTLEMENT AND JOINT REQUEST FOR ENTRY OF SETTLEMENT INSTRUMENTS filed on 6 March 2001 in the United States District Court for the Northern District of California in Genentech, Inc. v. Celltech Therapeutics, Ltd., Civil Action No. C 98-3926 MMC (WDB) (Paper 66).
- iii. Certified copy of an ORDER REGARDING RESOLUTION OF INTERFERENCE filed in the district court on 16 March 2001 (Paper 67).
- iv. Certified copy of a JUDGMENT filed in the district court on 16 March 2001 (Paper 68).

At some point, the board also received a copy of the docket entries in the district court through 16 March 2001 (Paper 65).

The ORDER REGARDING RESOLUTION OF INTERFERENCE and JUDGMENT appear to have been drafted by the attorneys and were thereafter presented to the district court for consideration. In drafting the order and judgment, it would appear that the attorneys did not take into account (1) relevant provisions of 35 U.S.C. §§ 135(a) and 146 and (2) binding precedent of the Federal Circuit, e.g., Gould v. Quigg, 822 F.2d 1074, 1079, 3 USPQ2d 1302, 1305 (Fed. Cir. 1987) and In re Ruschig, 379 F.2d 990, 154 USPQ 118 (CCPA 1967). Nevertheless, we will attempt to take action consistent with the district court's judgment to the extent possible and consistent with law.

b. Assignment of administrative patent judge (APJ)

During its pendency before the board, the interference was assigned (37 CFR § 1.610) to former Administrative Patent Judge Mary F. Downey. Judge Downey recently retired. Accordingly, the interference has been assigned to Senior Administrative Patent Judge Fred E. McKelvey. 37 CFR § 1.610(b).

c. Finding of fact

The record supports the following findings by at least a preponderance of the evidence:

i. The interference, declared 28 February 1991, involves Cabilly application 07/205,419¹ versus Boss patent 4,816,397.

ii. The Cabilly application is owned by Genentech, Inc.

iii. The Boss patent is owned by Celltech R&D Ltd., formerly Celltech Therapeutics, Ltd. (Paper 64, page 2).

iv. The claims of the parties are:

(1) Cabilly: 101-134²

(2) Boss: 1-18

¹ We note that the Cabilly application is misidentified as application 08/205,419 in note 1 on page 1 of a FINAL DECISION entered 13 August 1998 (Paper 57).

² Cabilly application Paper 12, pages 1-5 (copy attached).

v. The claims of the parties designated as corresponding to the count,³ and therefore involved in the interference (35 U.S.C. § 135(a)), are:

- (1) Cabilly: 101-120
- (2) Boss: 1-18

vi. The claims of the parties designated as not corresponding to the count are:

- (1) Cabilly: 121-134
- (2) Boss: None

vii. On 20 September 1991, after the interference was declared, Cabilly submitted an INFORMATION DISCLOSURE STATEMENT (IDS) (Appl'n Paper 17--copy attached) citing prior art not previously cited during prosecution before the examiner.

viii. Insofar as we can tell, the IDS does not appear to have been considered by an examiner. Nor is it apparent that the examiner has assessed the correctness of allegations in the IDS to the effect that certain prior art cited in the IDS is "cumulative" to other prior art said to have been considered by the examiner.⁴

³ A count defines the interfering subject matter. 37 CFR § 1.601(f).

⁴ Jurisdiction over the application transfers to the board upon declaration of an interference. 37 CFR § 1.614. Hence, there is no reason to believe that the examiner would have had occasion to consider papers filed in connection with the application after declaration of the interference.

ix. A final decision (i.e., a final agency action) was entered by a merits panel⁵ of the board on 13 August 1998.

Cabilly v. Boss, 55 USPQ2d 1238 (Bd. Pat. App. & Int. 1998) (Paper 57).

x. In its final decision, the board determined that Cabilly had failed to sustain its burden of establishing priority vis-a-vis Boss. Accordingly, the board entered judgment against Cabilly.

xi. On 9 October 1998, Cabilly timely sought judicial review under 35 U.S.C. § 146 by civil action filed in the United States District Court for the Northern District of California (district court). Genentech, Inc. v. Celltech Therapeutics, Ltd., Civil Action No. C 98-3926 MMC (WDB) (Paper 65, page 2, entry 1).

xii. On 16 March 2001, the district court entered (1) an ORDER REGARDING RESOLUTION OF INTERFERENCE⁶ (Paper 67) and (2) a JUDGMENT (Paper 68).

⁵ The merits panel consisted of former Administrative Patent Judges Ronald H. Smith and Mary F. Downey (both now retired) and Administrative Patent Judge Richard E. Schafer.

⁶ We have not proofread the documents drafted by the attorneys for consideration by the district court. However, we note at least the following error in the ORDER REGARDING RESOLUTION OF INTERFERENCE: on page 2, line 24 Genentech's issued patent is identified as U.S. Patent 4,816,517 when it appears it should have been identified as U.S. Patent 4,816,567. We also note at least the following error in the NOTICE OF SETTLEMENT AND JOINT REQUEST FOR ENTRY OF SETTLEMENT INSTRUMENTS: on page 1, line 27, the Cabilly application is identified as application 07/215,419 when it appears it should have been identified as application 07/205,419.

xiii. In its ORDER REGARDING RESOLUTION OF INTERFERENCE, the district court determined "that Genentech is entitled as a matter of law to priority over Celltech to the invention described by the count" (page 3, lines 27-28). The district court's determination appears to have been based on a Cabilly draft application, dated 25 February 1983, which (1) is said to have been uncovered during discovery and (2) was not presented to, or considered by, the board in entering its final decision on 13 August 1998.⁷

xiv. In its judgment, the district court "orders and adjudges that the following shall occur simultaneously" (Paper 64, pages 1-2):

(1) The United States Patent and Trademark Office (USPTO) is directed to vacate the PTO's decision in Cabilly v. Boss in Interference 102,572.

(2) The USPTO is directed to "revoke and vacate United States Patent No. 4,816,397 ***" issued to Boss.

(3) The USPTO is directed to "grant and issue to Genentech's Inventors (with Genentech as the assignee) with the issue date being the same as the date of revocation of United

⁷ See ORDER REGARDING RESOLUTION OF INTERFERENCE, (page 3, lines 10-26). The parties do not appear to have asked the district court to address, and the district court did not appear to have considered, the issue of whether Genentech and Cabilly were diligent from the time the interference was declared in attempting to find the draft, which is now said to be dispositive. We do not address the issue of whether a lack of diligence might have been a basis for the district court to have exercised its discretion to decline to admit in evidence the draft. See, e.g., Kirschke v. Lamar, 426 F.2d 870, 165 USPQ 679 (8th Cir. 1970). We will note that if a patent is issued to Cabilly, its term will begin to run now and the public has already been subject to patents rights of Boss since 1989, and that the interference has been pending since 1991.

States Patent No. 4,816,397, a United States patent having *** claims 101-120 that were allowed by the PTO in Genentech's pending United States Patent Application No. 07/205,419 ***."

xv. A certified copy of the district court's judgment was received by the board on 1 June 2001 (Paper 63).

xvi. According to Cabilly's request for assignment of a new APJ (Paper 63):

In light of the complexity of the Order accompanying *** [the] district court['s] Judgment, the parties *** respectfully request that after an APJ has been assigned [to the interference,] but before the Judgment *** [of] the district court is effected, a conference call be scheduled so that the parties and the APJ may discuss this matter.

xvii. The time for filing an appeal, in this case to the United States Court of Appeals for the Federal Circuit, from the judgment of the district court is 30 days. Fed. R. App. P. 4(a)(1)(A). The time for filing an appeal from the judgment of the district court entered 16 March 2001 expired sometime in April of 2001.

d. Discussion

As noted earlier, The ORDER REGARDING RESOLUTION OF INTERFERENCE and JUDGMENT appear to have been drafted by the attorneys and were thereafter presented to the district court for consideration. In drafting the order and judgment, we again note

that it would appear that the attorneys did not take into account (1) relevant provisions of 35 U.S.C. §§ 135(a) and 146 and (2) binding precedent of the Federal Circuit, e.g., Gould v. Quigg, 822 F.2d 1074, 1079, 3 USPQ2d 1302, 1305 (Fed. Cir. 1987) and In re Ruschig, 379 F.2d 990, 154 USPQ 118 (CCPA 1967). We will attempt to take action consistent with the district court's judgment to the extent possible and consistent with law.

i. Order to vacate decision

The district court's order directs the USPTO (board?) to vacate its decision in Cabilly v. Boss in Interference 102,572.

The judgment does not identify the precise board "decision" to be vacated. We believe that the district court sought to have the board vacate its final decision awarding priority to Boss. The board's final decision (Paper 57) was entered on 13 August 1998. Accordingly, an order will be entered vacating the final decision entered 13 August 1998.

ii. Order to "revoke and vacate" a patent

The district court directs the USPTO "to revoke and vacate" U.S. Patent 4,816,397, the Boss patent involved in the interference.

Nothing in 35 U.S.C. § 135(a) relating to the board's jurisdiction over interferences and nothing in 35 U.S.C. § 146 relating to judicial review of a decision of the board in

interference matters, authorizes the board or a court to "revoke and vacate" a patent.⁸ Section 135(a) provides, however, that "[a] final judgment adverse to a patentee from which no appeal or other review has been or can be taken or had shall constitute cancellation of the claims involved in the patent ***."

While the matter is not absolutely free from doubt, we have construed the district court's judgment as a final decision of the district court. The judgment has all the indicia of being final in the sense that it rules in favor of Cabilly and against Boss. The "judgment" is "set forth on a separate document" as required by Fed. R. Civ. P. 58. Moreover, as is apparent from the ¶ 10 of ORDER REGARDING RESOLUTION OF INTERFERENCE (Paper 67, page 3, lines 27-28), the district court held that Genentech (i.e., Cabilly) is entitled to priority of invention vis-a-vis Celltech (i.e., Boss). Given that review of the board's priority determination was the issue in the civil action under § 146 and that issue was resolved in favor of Cabilly, we have construed the district court's judgment as being final.

The time for appeal to the Federal Circuit from the judgment of the district court expired sometime in April 2001. A certified copy of the district court's judgment was not received by the board under 1 June 2001--well after the time for appeal

⁸ The only basis of which we are aware for "revoking" a patent would be an action by the United States alleging that the patent was procured on the basis of a fraud. See, e.g., United States v. Saf-T-Boom Corp., 431 F.2d 737, 167 USPQ 195 (8th Cir. 1970), and Supreme Court cases cited therein.

had expired. The time for appeal having expired sometime in April of 2001, it manifestly follows as a matter of law that the claims of the Boss patent designated as corresponding to the count, i.e., involved in the interference to use the words of 35 U.S.C. § 135(a), have been cancelled since sometime in April of 2001. The only action which needs to be taken by the USPTO in the future is to comply with that part of § 135(a) which provides, with respect to cancelled patent claims, that "notice of such cancellation shall be endorsed on copies of the patent distributed after such cancellation by the Patent and Trademark Office."

iii. Order to grant and issue patent to Genentech

(1)

The attorneys drafted an order for consideration by the district court which directs the USPTO to "grant and issue" a patent to Cabilly. Under even a most expansive reading of 35 U.S.C. § 146, nowhere does a district court have jurisdiction to order the granting of a patent. What § 146 says is that a "[j]udgment of the [district] court in favor of the right of an applicant to a patent shall authorize the Director to issue such patent on the filing *** of a certified copy of the judgment and on compliance with the requirements of law." Similar language in 35 U.S.C. § 145 (involving civil actions where the Director is a

party), has been construed by the Federal Circuit as not authorizing a district court to order the Director (then Commissioner) to issue a patent. Gould v. Quigg, 822 F.2d 1074, 1079, 3 USPQ2d 1302, 1305 (Fed. Cir. 1987). In this particular case, compliance with the requirements of law, among other things, in this case would involve (1) acting on Cabilly claims 121-134 which are also present in the Cabilly application (35 U.S.C. §§ 131 and 132), (2) issuance of a notice of allowance (35 U.S.C. § 151, first paragraph) and (3) timely payment of the issue fee required by law (35 U.S.C. § 151, second paragraph).

(2)

Moreover, under well-established principles, a favorable decision on judicial review does not mean that the Director may not reject claims in an application on the basis of a ground not involved in judicial review. See, e.g., In re Ruschig, 379 F.2d 990, 154 USPQ 118 (CCPA 1967).⁹

In this case, it is not clear that an examiner has considered additional prior art called to the attention of the USPTO by Cabilly after the interference was declared. Upon termination of the interference, the application is returned to the examiner. At that point the examiner would determine what action, if any, might be warranted on the basis of the IDS filed

⁹ Ruschig is binding Federal Circuit precedent. South Corp. v. United States, 690 F.2d 1368, 215 USPQ 657 (Fed. Cir. 1982).

by Cabilly. If no further adverse merits action (e.g., a rejection) is deemed appropriate by the examiner, then a notice of allowance would be issued and Cabilly would be free to pay the issue fee.

iv. "Simultaneous" action

The district court has ordered that certain action "occur simultaneously". The attorneys who presented the draft judgment to the district court should have known that they were asking the district court (1) to take an action which is for all practical purposes not administratively possible, and (2) in effect, to mandamus the Director and the board with respect to issues not involved in the civil action.

The claims of the Boss application have now been cancelled by operation of law. A patent could not have issued to Cabilly until (1) the board's final decision was vacated (which occurs today) and (2) the Boss claims were cancelled (which occurred sometime in April of 2001). Basically, the attorneys attempted to have the district court superintend the affairs on the USPTO. We cannot imagine that the district court intended to superintend the affairs of the USPTO.

We note that the district court has retained limited jurisdiction in this matter. In the event of further proceedings in the district court, we recommend that the attorneys consult with the Office of the General Counsel of the USPTO so that a

determination can be made as to whether the Director should intervene (§ 146 gives the Director a right to intervene). Alternatively, the district court might wish to exercise its discretion by inviting the Director to file such papers as the district court might deem appropriate to aid it in resolving the interference.

e. Order

Upon consideration of the relevant record, including:

- i. the CABILLY REQUEST FOR ASSIGNMENT TO NEW APJ [ADMINISTRATIVE PATENT JUDGE] (Paper 63);
- ii. the certified copy of a NOTICE OF SETTLEMENT AND JOINT REQUEST FOR ENTRY OF SETTLEMENT INSTRUMENTS filed on 6 March 2001 in the United States District Court for the Northern District of California in Genentech, Inc. v. Celltech Therapeutics, Ltd., Civil Action No. C 98-3926 MMC (WDB) (Paper 66);
- iii. the certified copy of an ORDER REGARDING RESOLUTION OF INTERFERENCE filed in the district court on 16 March 2001 (Paper 67);
- iv. the certified copy of a JUDGMENT entered in the district court on 16 March 2001 (Paper 68);
- v. the copy of the docket entries in the district court through 16 March 2001 (Paper 65); and
- vi. the INFORMATION DISCLOSURE STATEMENT (Cabilly appl'n paper 17),

and for the reasons given, it is

ORDERED that the request for a conference call with the administrative patent judge assigned to the interference is denied, without prejudice to a conference call being placed by counsel upon receipt of this order.

FURTHER ORDERED that the FINAL DECISION of the board entered in this interference on 13 August 1998 (Paper 57) is vacated.

FURTHER ORDERED that, consistent with the judgment of the district court (which is now final), judgment on priority as to Count 1, the sole count in the interference, is now awarded against senior party MICHAEL A. BOSS, JOHN H. KENTEN, JOHN S. EMTAGE and CLIVE R. WOOD (Celltech R&D, Ltd.).

FURTHER ORDERED that senior party MICHAEL A. BOSS, JOHN H. KENTEN, JOHN S. EMTAGE and CLIVE R. WOOD is not entitled to a patent containing claims 1-18 (corresponding to Count 1) of U.S. Patent 4,816,397, issued 28 March 1989, based on application 06/672,265, filed 14 November 1984.

FURTHER ORDERED that a copy of this paper shall be made of record in files of application 07/205,419 and U.S. Patent 4,816,397.

FURTHER ORDERED that, no later than **10 August 2001**, the Clerk shall forward the Cabilly application to the examiner for such further action as may be appropriate consistent with the views expressed herein, including such action as the examiner may

102572
(via fax--without attachments
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