UNITED STATES PATENT OFFICE

INTERFERENCE ROUNDTABLE

THURSDAY, OCTOBER 15, 1998

2:15 P.M.

PATENT THEATER
CRYSTAL PARK 2
2121 CRYSTAL DRIVE
ARLINGTON, VIRGINIA
FOREWORD


October 7, 1999

Bruce H. Stoner, Jr.
Chief Administrative Patent Judge

NOTICE

This transcript is an edited version of the transcript prepared by Patricia M. Dowd, Court Reporter, of Friedli, Wolff & Pastore/Esquire Deposition Service. Permission to make this transcript available on a Patent and Trademark Office web page was granted by Lori Osborne of Friedli, Wolff & Pastore/Esquire Deposition Service. Any requests for copies of the transcript of the proceedings should be directed to Friedli, Wolff &
# CONTENTS

MODERATOR, LAWRENCE PERRY, of Fitzpatrick, Celia, Harper and Scinto, New York

REMARKS BY: PAGE

DEPUTY COMMISSIONER Q. TODD DICKINSON 3

CHIEF ADMINISTRATIVE PATENT JUDGE BRUCE H. STONER, JR. 7

PATRICK ROWE, DIRECTOR OF OFFICE OF PUBLIC RECORDS 15

ADMINISTRATIVE PATENT JUDGE RICHARD SCHAFER 19

JERRY VOIGHT, FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, WASHINGTON, D.C. 28

PAUL MORGAN, XEROX CORPORATION, ROCHESTER, N.Y. 38

SENIOR ADMINISTRATIVE PATENT JUDGE FRED McKELVEY 48

RAYMOND W. GREEN BRINKS HOFE R GILSON & LIONE 62
MR. PERRY: My name is Lawrence Perry. I am not Tony [Anthony M. Zupcic], who was promised in the schedule. I cannot replace or substitute for him—he was detained unexpectedly—but I can read his notes probably as well as he could, and besides he spoke to me recently and told me what to say, so we are in fairly good shape.

This is the Interference Round Table. By way of introduction, Chief Judge Bruce H. Stoner, Jr., and Tony had been speaking about this for I think more than a year now, and discussed it as recently as this spring at the spring 1998 AIPLA [American Intellectual Property Law Association] meeting. The theory and the thought was that a meeting between the Bar and the APJs [Administrative Patent Judges] who handle interferences on a regular basis would be a great idea. A poll at the AIPLA Interference Committee confirmed this and subsequent conversations with ABA [American Bar Association] Committee 152, chaired by Jerry Voight, confirmed it.

The purpose of the Round Table is to have an open exchange of ideas between APJs and the attorneys who most frequently handle interferences. Since everyone here today should be familiar with interferences under the present system, we are going to try to avoid a litany of horror stories, but instead
just see if, working together, we can develop some useful
solutions to some of the problems we face under the context of
the existing rules.

So one thing that we want to emphasize throughout the
discussion is that we are going to try to exchange ideas to
address the existing problems without requiring rules changes.

In the last two years, the Bar has focused on the pendency
of interferences and that will be discussed today. Additionally,
we hope to address simplification of the process, reducing costs,
and hopefully achieving greater predictability for clients.

The format of the program is we are going to begin with
preliminary comments by members of the panel. Following
completion of all of these comments by the panel, we would like
to start an open discussion, ideally organized by the different
stages of the interference. We are going to try to direct it by
ideas regarding preliminaries to the interference, declaration of
interference in the group, then the declaration by the APJ,
comments on preliminary modes of practice, testimony and
additional discovery, final hearing, and then final decision,
judgment, and request for consideration.

Again, just to remind everybody, our focus is on
changes of practice which would not require changes in the rules.
If you have--anybody has--suggestions for rule changes, and I am
sure that most of you, if not all of you, do, to the extent we
have time available at the end of the open discussion, it would be great to raise them then. If not, you know, I would suggest that they are likely to be suitable for submission to the AIPLA and the ABA committees for resolution.

Finally, when we do get to the open discussions, since we have a court reporter here today and certainly everyone here does not know everybody else, please introduce yourself before making a comment.

Our first, and I suppose most important, speaker today is Deputy Assistant Commissioner of Commerce and Deputy Commissioner of Patents and Trademarks Todd Dickinson.

Since assuming his duties as Deputy Commissioner, Todd has been very receptive to meetings between the Office and the Bar to discuss problems of mutual concern. Recently Todd participated in the Biotechnology Open House, and we are very fortunate to have him here today.

COMMISSIONER DICKINSON: Thanks, Larry. Yes, I am very pleased to be here today. I come with my PTO hat on today, but I certainly have had my share of involvement with interferences over the past. I suppose we should have a disclaimer. The last one I was involved with was about a year ago and actually Larry and I were on opposite sides. Larry won. Hopefully, I will not allow that to color my approach too much. But it lasted about six years. I have been involved with some that are about as
equally cumbersome. My experience is that interferences cost too much, the rules are too complicated, and they are too unpredictable. Business in particular hates them. They are very difficult to explain to clients, in my experience.

One of the things I hope comes out of today is some early understandings, and first understandings, about what we can do now to try to deal with those kind of situations and circumstances. Not only do they cost too much to the clients and to the Bar, they cost too much to us, frankly. They are very expensive for the PTO. They are an enormous drain on our resources.

If we were able to find a way to manage them more expeditiously internally, that would certainly help our bottom line and help us try to reduce the costs to you and your clients overall.

So I am very eager to be a participant in this panel today. As Judge Stoner and the other judges here know, I was very enthusiastic when they approached me about that. I am pleased we also have our Solicitor, Nancy Linck, and Linda Isacson from her office, here today because a lot of this will also fall on their shoulders in terms of how the office deals with these questions.

I know we are supposed to shy away from rule changes and I know that is the ground rule today, but, as Larry suggested, down the road, maybe we have to consider that question. It is not
today's question, but certainly we should not foreclose that
question.

When we did the rule changes the last time, I think people
really thought that was going to make a difference and in some
ways we find ourselves back where we were perhaps at the time of
the last rule change.

So, again, I am pleased to be here to hear things,
primarily. I am not an interference expert though I have
participated in them. I am eager for your thoughts and your
input. Thanks.

MR. PERRY: Next we would like to hear from Bruce H. Stoner,
Jr., Chief Administrative Patent Judge. Since becoming Chief
Judge, Bruce has been very responsive to suggestions from the
Bar. After the AIPLA passed several resolutions concerning
delays in declaring interferences last summer, Bruce took care of
a large backlog of cases awaiting declaration. He has also heard
our pleas for a quicker response to requests for file wrappers in
cases involving interference.

Today Bruce will provide us with an update on the state of
the Board at the end of fiscal year 1998, and its plans for
fiscal year 1999. He will also outline the changes to
interference practice he initiated Monday of last week, which
have the goal of making the practice more uniform and trying to
make the average pendency of most interferences about two years.
JUDGE STONER: First I would like to welcome all of you here. I appreciate that we have this kind of representation both from the Bar and from the Board. I would like to take credit for having declared a whole bunch of interferences last year, but it was not me. There are sixteen APJs out there who were responsible for that. I need to talk about some of the wonderful things that they have done in the course of the last year.

We are here, as Larry said, to raise consciousness on everybody's part—on the part of the Board members and the Bar—as to each other's problems and to open a dialogue as to how we can make things better, simpler, quicker, cheaper, more just, more predictable, within the existing framework.

I would like to start by bragging about the Board's past year. We have had an exceptionally productive year in terms of both ex parte and inter partes terminations. To save time, I will not throw a lot of numbers at you, but just so you have some notion of where we are going:

We had 4091 ex parte disposals last year. That is the most since 1993. We received 3779 ex parte appeals, which was about 900 under prediction. For that, we were grateful. We had three years where we averaged 5000 receipts per year. Had we encountered something like that again, it is plain that we would be falling further behind.

Our ex parte inventory today is too large, just under 8900,
but at the moment it is going in the right direction--downward.

We terminated 204 interferences last year so that the inventory of pending interferences stands at about 433. We have on hand today about sixty proposed interferences to be evaluated and declared. I say "about sixty" because proposed interferences sometimes make trips back and forth to the [examining] group before they ever actually get declared.

The aggregate contribution made by the APJs from the Interference Division to the success of the Board in FY 1998 is highly significant. Together they rendered 619 ex parte decisions in addition to managing those 204 interference terminations as well as the other interferences they were dealing with. You need to know that, for the last sixteen months, these APJs have been both deciding ex parte appeals and managing and deciding interferences. So they have been busy.

Our ex parte inventory is down by 312 in the last year, and that decrease would not have been possible without the effort of these APJs from the Interference Division.

To get a handle on how many people we have, in fiscal year 1998, we had one APJ depart and last week, FY 1999, we had another one leave for greener pastures. You can interpret "greener pastures" any way you like. I would like to be able to pay more than I can, but that is just the way things are. One departure was from the ex parte side; one from the interference
We have three APJs who have indicated that they expect to retire during fiscal year 1999. We have eleven APJs who are currently eligible to retire. In fact, two of those are already retired and back as part-time re-hired annuitants. Five of those eleven work in Interferences.

As of today, there are 44 APJs, including the Chief, the Vice Chief, and two Senior APJs, who are effectively part-timers. We are now in the process of hiring APJs. Fifteen names have been sent forward to the Department of Commerce and several more names may follow.

Our goal on the ex parte side is to take up appeals for decision about six months after they have been received at the Board. It is going to take us some time to reach that goal. It is a goal we are heading for. We are doing better in some areas. We are doing quite well, right now, with designs and mechanical cases. We are doing less well with electrical cases and not nearly so well in the chemical and biotechnology areas.

It is apparent to me that the need for the APJs of the Interference Division to continue deciding ex parte cases is not going to go away any time soon, but it is also apparent to me that it is going to reduce the time available for those things that are required in conducting interference proceedings, including reviewing proposed interferences as they are received.
from the examining operation, making sure they are ready for
declaration, deciding motions, and producing final decisions
after final hearing.

   We have put quite a load on these folks. That is nothing
new but, at the same time, to the degree that we overload them,
we to some degree shortchange the interference process.

   We talk about the goal for the interference side of the
house. That is expressed in our rules, in 37 CFR § 1.610(c),
second sentence, which says:

   "Times for taking action shall be set and the
   administrative patent judge shall exercise control over
   the interference so that the pendency of the
   interference before the Board does not normally exceed
two years."

   Thank you for not breaking out laughing. We all know that
there are many interferences that go a lot longer than that.
Fortunately, there are many interferences that get taken care of
much more quickly. As one of the wise APJs said to me, if you do
not declare them, they do not go away. So we have been trying to
make every effort we can to declare them as promptly as possible,
so that the ones that are going to go away do, indeed, go away.

   All of us, whether inside or outside the PTO, are concerned
that some interferences take much too long to resolve. I am
concerned that we have interferences ready for decision that have
not yet been reached for a variety of reasons. One of those
reasons stands before you. To a large degree, the delays that
you have seen in the last sixteen months can be laid at my feet,
and I will take responsibility for that. These APJs have, as I
have indicated to you, been pitching in on the ex parte side of
the Board, which was necessary because of the size of the ex
parte backlog we had.

Nevertheless, we have a problem that needs to be addressed.
Many folks, usually outside the PTO, have expressed concern that
there are many different practices in the interlocutory stages of
interference; indeed, there seem to be almost as many practices
as there are APJs. As Todd has indicated, as Larry has
indicated, it is appropriate to talk about changing the rules,
but my experience is that doing so is a slow process that
frequently produces unexpected results.

We need to find a way for the interference APJs to
concentrate on decisional responsibilities and to be in a
position for bringing existing and future resources to bear while
streamlining the interlocutory process, and while maintaining our
attention on ex parte appeals.

Because of all those competing demands, I have taken the
following steps:

Last week, I created within the Interference Division (the
Division is a loose association of folks primarily assigned to
decide interferences) a Trial Section, to which three APJs have been assigned. Those APJs within the Trial Section will be responsible for promptly declaring interferences and managing the proceedings prior to the final hearing and decision in such a way as to have all matters preparatory to final hearing, including required decisions on preliminary motions, typically concluded by a date approximately eighteen months from the date of declaration.

These APJs, in addition, will routinely be designated to panels that enter judgments and will also spend a part of their time deciding ex parte appeals.

I expect to be able to assign three interference administrators, patent professionals similar to the ex parte administrators we have, to assist in those tasks. One has already been assigned and we would hope to get two more. These individuals will provide your contact point for arranging hearings, conference calls, etc.

The Trial Section is going to receive clerical support from paralegal specialists and a legal technician.

As is presently the situation, all APJs in the Interference Division, including those in the Trial Section, will be designated to panels charged with authoring opinions in support of decisions on motions where panel decisions are appropriate, authoring opinions in support of decisions in interferences
reaching final without benefit of oral hearing (on-brief cases); authoring opinions in support of decisions in interferences that, indeed, reach final hearing; and authoring opinions in support of decisions with or without oral hearing on other matters for which the Chief or Vice Chief determines panels are necessary.

At such time as the Trial Section has become current in the declaration and management of new interferences, that section may progressively assume responsibility for all pending interferences that have not yet reached the final hearing stage. It should be evident, however, with over four hundred pending interferences, they are not going to be able to do so overnight. That would be unreasonable to think. This is going to take a certain period of time of transition.

In the interim, and until the Trial Section assumes responsibility for those duties, all the APJs in the Interference Division will continue discharging their interlocutory duties. There is an element of business as usual, even while new declarations will be coming out with what should be substantially a uniform order from the three APJs assigned to the Trial Section.

The APJs who will be initially assigned to the Trial Section are Senior APJ Fred McKelvey, and APJs Richard Schafer and Jameson Lee. These are all individuals with significant trial experience prior to coming to the Board. And the administrator
initially assigned is Merrell Cashion. All four of those individuals are here today. I hope you can take an opportunity to speak with them. Both Fred and Rick are on the program today and I am sure that they are going to have observations to make with regard to these plans.

Having said all that, I want to stress again that the reason for today's session is unchanged. We want to take this opportunity again to raise everyone's consciousness as well as to open this dialogue as to how we can make things better.

I am certain you are going to have a lot of questions as to how this new system will work but in many ways it will be just like the old system. However, we hope with more uniformity and certain economies of scale.

Because we have over four hundred ongoing interferences that will need to be resolved, many things will have to stay the same as we work our way through those. I know you have a lot of questions but instead of responding to those now, I think it may be best to hold those until after Fred has had an opportunity to speak. We have several other speakers and I think we are going to have Fred go fourth, to give him an opportunity. That is my presentation. Thank you.

MR. PERRY: Next we have Patrick Rowe, from the [Dissemination Support Division] -- I think it is currently called the Office of Public Records [OPR]?
MR. ROWE: That is correct.

MR. PERRY: Okay. At the Spring AIPLA Interference Committee meeting, Chief Judge Stoner reported that the [Office of Public Records] agreed to expedite file wrapper requests for cases involved in interferences. Mr. Rowe is going to give us a report on [OPR] and what we need to know about getting files as quickly as possible.

MR. ROWE: Thank you. Good afternoon. I am here at the invitation of Judge Stoner to provide you with some information on how parties involved in an interference can obtain copies of files. The Office of Public Records is essentially the retail sales area of Patent and Trademark Office. We record assignments and related transactions, prepare certified copies of office records, and sell patent and trademark copies.

Last year we produced and shipped over one million documents. The hardest orders for us to fill, and potentially the most frustrating for you, the customers, are the four to five thousand that are for copies of file wrappers and contents. Why, you might ask, that is a very small percentage. Well, unlike patent copies or certified copies of patent applications as filed, which are produced on demand from online image stores, file wrappers are in paper, and, particularly when it comes to interferences, they are alive and moving around the PTO, with both PTO staff and the public hunting them down to make copies or
review a paper.

Several years ago, the Board asked my office to serve as the central clearing house for public orders for files involved in interferences, similar to the way we fill orders for files located in the Office of Commissioner and the Office of the Solicitor. This initiative had two purposes. First, to ensure the integrity of hot cases by keeping them within PTO hands. And second, to provide fair and equal access to copies for all parties.

This process kept better control of files once they were received in the Office of Public Records, but it did not address the problem of getting our hands on the files. It is "hands on the file," not the number of files or their size, that determines when an order can be filled.

In a few minutes Judge McKelvey will be outlining a new procedure at the Board designed to get files into our hands so that, in turn, my office can get copies to you routinely.

Our goal is to copy and fill orders for interference files within fourteen days of receiving the files and complete orders. Files are disassembled and papers copied in the same order in which they are found in the file. We do not reorganize them because our objective is to return them to the APJs just the way they sent them over to us.

We send completed orders via delivery service—UPS or
Federal Express--because of the tracking and delivery verification capabilities available. Each Customer Service Representative has access to the UPS and Federal Express tracking home pages on the Worldwide Web and can verify delivery of orders. Full names and exact street addresses are critical. For most calls reporting, "We never got the copies," it turns out that somebody in the firm's mail room signed for them three weeks ago.

If orders include the E-mail address of the recipient, we will send them the air bill or ground track number of the shipment when it is dispatched, so that they can track it themselves until it hits their desks.

Judge Stoner mentioned file access, our plans for getting files to you quicker and the arrangements that have been made, and I would like to note a few statistics. During the month of September, the average time to turn around files from the Board in my office was 4.38 days, but from your perspective, the total turn around time was almost forty days because, again, the problem was finding the file and getting it to us. Copying, once we get the file, is really the easiest part. The battle is won when we have the file in our hand.

I would just like to contrast that 39.5, or almost forty, days with our experience in the first week in October where we went into a slightly different process, where our turn-around
time was 5.2 days but the total turn-around time was only 7.1.
Judge McKelvey will be talking about how we have changed that
process to get the turn around and make the files more
predictably available to you.

I will be available after the session. Ah, thank you, Fred.
Fred asked me to note, "be sure to talk about deposit accounts
having ' $ '."

We fill our orders from deposit account authorizations, and
we have had cases where attorneys say, "Okay, charge the deposit
account," but the accounting department in the firm has not
replenished the account. This can result in delays until checks
get to us. So that is an important thing, Fred, thank you.

MR. PERRY: Rick Schafer is an Administrative Patent Judge
and is going to present his observations concerning those things
we do during the prosecution of interference which unnecessarily
complicate his life and the ways that some of those complications
can be avoided. As one of the new trial judges, Rick will
certainly have helpful hints on what we need to know about the
revised practice.

JUDGE SCHAFER: Thank you. Well, I like what he said. I
made up a list of things to talk about, and included on the list
are things that I have seen that practitioners have done that
have messed up their own cases.

So on this list are problems, things that cause problems for
me or other APJs and things that have actually caused you
problems even though you may not have known it. Some just cause
delays. Some are things that some of us at the Board think you
just do not appreciate and overlook. Some are things that APJs
have indicated that they just do not like. Some things have
solutions, some do not. Some the APJs can control, have not
controlled in the past, and probably will control in the future.
Other things are in the counsel's control.

This list is not comprehensive—or even in any particular
order. It is not in order of importance. It is just the list
that was put together.

So having said all that, here you are, you have a client who
says here is this patent that is claiming the same invention that
we are. The first thing people seem to think of is, well, we
will just copy these claims and we will get an interference.
There have been a number of cases I have seen over the last
couple of years where the clients slavishly decide to copy the
claims. Then the Examiner looks at it and says, "Well, you
really do not have descriptive support for those claims." But
then the Examiner ends up accepting the argument, "Well, we just
want to get an interference," and says okay, and lets the claims
in, finds the claim patentable, and then forwards the cases to us
for an interference.

What happens in those cases? Your opponent looks at the
case when the interference is declared and files a motion for unpatentability under [35 U.S.C. §] 112, first paragraph, and puts in all sorts of evidence.

Keep in mind that you do not have to copy claims exactly to be involved in an interference. All you need is a patentable claim that is claiming the same patentable invention as your opponent. When you decide to provoke an interference, and copy claims in some way, make sure you have written descriptive support for that claim. You do not have to have the identical claim. If you can make an identical claim, that is fine, but make sure you can make it.

I have seen interferences where the party has lost on [section] 112, first paragraph, on the descriptive support when they did not have to. They did not have to copy the claims exactly to be in the interference.

Let's go on to some things about files. Pat mentioned getting copies of files and ordering copies. There seems to be a misunderstanding by a substantial number of people—of course, nobody in this room would have this misunderstanding—about what exactly is an interference file. We have a lot of people come to us and say, "We ordered the interference file and I did not get copies of my opponent's application files." The interference file does not include the involved applications and patents. Those are separate files. The interference file is actually a
separate file, with that interference number that you all get, that has all the papers and exhibits for the interference. So when you receive the notice of declaration and an order to file requests for copies by a certain date, you want to request the involved applications. If there is a patent involved, you want to request a copy of the patent by its patent number. If there is an application that your opponent has or any benefit applications, you want to request them by number. Pat will be happy to fill those orders.

Also, when the requests for copies are filed with us, we see that attorneys are asking for a copy of the interference file. There really is no reason to ask us for a copy of the interference file when you are a party. Everything in the interference file, you have. Every paper. The [Form PTO] 850 the Examiner fills out, any other papers that were before the Examiner get copied to you as part of the declaration. If you ask for a copy of the interference file, you may just slow things down.

Another thing that happens related to the interference files is maybe you have a client that is concerned about infringement under a patent, so you look into the patent and you find that it is in interference because there is a notice of declaration in the patent file. The first thing you do is order a copy of that interference file.
Pending interferences are not available to the public. That is right in 37 CFR § 1.11(e). Unless that interference is terminated or there is a judgment, and then if it involves or leads to a patent, the file is unavailable. Pat gets a lot of requests for interference files that just are not available to the requester. Pending interference files are only available for inspection and copies by the parties.

When you are in the interference, as you know, there is a lot of motions—we have interferences that have an awful lot of motions—and one of the things APJs said was that there are just too many motions filed.

Now, I guess one approach we could take would be to restrict the number of motions we let you file, but then you are also faced with certain estoppels if you do not file a motion. You are going to be estopped from raising certain issues in future proceedings, so that would be a pretty harsh rule.

So as far as the number of motions, I guess there really is not a good solution. All we can do is rely on the judgement of counsel as to what motions they are going to file. Of course that is part of what your client pays you for is to give them advice and for you to exercise good judgement.

It seems hard for me to believe that you need, and it is really necessary for a party to file, forty or fifty motions. We have those interferences. Probably none of you have done that,
but you have probably been on the other side of somebody who has
done that and you had to oppose forty or fifty motions. It is
hard on you also. But it is also hard on us because of the
number of papers that we have to look at.

Another complaint by the APJs is that the papers that are
received are just too long. One APJ showed me this morning a
brief that was over 500 pages. It was a brief for final hearing
so there were a lot of issues, but still, that is an awful lot
for an APJ to have to digest and come up with a decision on,
especially when you have an opposing brief and then you have a
reply brief to deal with.

My personal solution to that is to impose page restrictions.
I do it for motions. My personal choice for motions is, if you
cannot tell me what your problem is in fifteen pages, per motion,
then I do not know what the problem is. It is just my belief you
can do it in fifteen.

You can also move, if that is really too few, to have the
page limit taken off in a [37 CFR §1.] 635 motion for a
particular motion, giving me an explanation why you need more
pages. The same would be true with briefs. If you are familiar
with Federal Circuit practice, they have a fifty page limit.
Cases worth millions and millions of dollars to the companies
involved turn on fifty pages. Often the attorneys do not need
the fifty pages. I do not know that fifty pages would be a good
limit. I have never set one at fifty pages, but I think five hundred pages is probably excessive.

Often when you are in an interference, you will look at your opponent's claims and decide that they are unpatentable. You have evidence that shows that those claims are unpatentable. In particular, they are unpatentable over some prior art. Now you will help us in our decisions if, when you allege that the claims are unpatentable under [35 U.S.C. §] 102(b), for example, you go through your opponent's claims, element by element, and identify where in the prior art that element is taught. If your motion is based on [35 U.S.C. §] 103, you do the same thing: you go through the closest prior art, show us where each claim element is taught or suggested. Identify the differences and explain why the rest of the prior art renders those differences obvious.

All we are asking is exactly what you expect Examiners to do in ex parte prosecution. That is what you want from Examiners when they reject your claims. That is what we want to help us out and also help keep the issues clear as the opponents respond.

Now often after a decision either on motions or even after final judgment, you find it necessary to file a request for reconsideration. Well, a request for reconsideration is not just another opportunity to re-argue your case. Merely arguing that the earlier decision was wrong and re-arguing a point does not meet the standard for a request for reconsideration. The purpose
of a request for reconsideration is to show where the decider—whether a single APJ or a panel—erred in the law or overlooked some critical fact. You should point out in your request for reconsideration what the specific matter is that was overlooked or misapprehended, show where you argued that point before the earlier decision. You should point to the statute that you are relying on that was overlooked, or the PTO rule, or a precedential opinion that was not correctly followed, or some specific fact with a citation to the record where you previously argued it.

You should also summarize what you argued before, what your opponent argued, and what APJ or the panel said because, by the time your request for reconsideration comes in, we have probably handled twenty or thirty different substantive matters, so we do not have a recollection of it. You can write your paper to give us information so we have a good recollection of it, and minimize our need to go back and read all the papers again to see what you argued, and what exactly we said in response.

Some of the APJs have mentioned that, when you are getting ready for final hearing and you file a record, that the record is not well-organized. Often it is very large. One approach is, if you can, to put together the record and Bates number it. Then when you file your briefs, you refer to the particular document or the particular testimony and the page number that you are
referring to of the record. It is somewhat analogous to the practice for filing your record in the Federal Circuit. You put together an appendix of the record that is Bates numbered from beginning to end, and then both parties have those Bates numbers to use when they are referring to the record.

Some of the counsel have adopted this. As soon as they start putting together and filing documents, affidavits, and testimony that will ultimately end up in the record, they begin consecutively numbering their papers. When we have this huge collection of documents, that it makes it easier for us to find them and get to them, and facilitates our making our decision faster.

From time to time in interferences, we have seen an applicant or one of the parties rely on some data or information in the specification for proof of the truth of the matter in the specification. The specification is only proof of what is described in the application. It does not prove the truth of any matter that is stated there or any data or any tests that were done. What you will need to do is come in with an affidavit or declaration by somebody with firsthand knowledge of that information or of testing that was done.

During the testimony period, you will be cross-examining affiants or declarants and you may have a counsel that does a lot of objecting to your cross-examination. There is a general rule
that we apply in interferences that people do not seem to be aware of. The fact that you object to a question is not a basis for the witness not to answer the question.

The objection goes on the record and, if it is a matter of form or something, you can correct the question, but then the witness should answer the question. Unless, of course, your objection is that it is privileged. Then there are other ways to handle objections for privilege, including getting the APJ on the phone to settle the issue or filing a motion very promptly after that day's deposition concludes.

Just to re-emphasize that, an instruction to a witness not to answer a question is always improper unless its relates to a privileged matter.

Some of the APJs have commented that, with respect to motions in particular, counsel are not proving their case in their motion paper. In other words, counsel is not proving a prima facie case of entitlement to relief requested in their motion. Remember, if you file a motion, you are trying to change the status quo. So you have the burden of proof. Your burden is to show prima facie that you are entitled to the relief you are requesting. Any proofs you need, any evidence you need, should come in with the motion. You should not wait until you file your reply to complete your prima facie case.

The solution that a number of us have adopted is, if we look
at a motion when it is time for decision and we see that the
motion does not set out a prima facie case, we will deny the
motion. We will never get to the opposition or to the reply. So
keep in mind when you are filing a motion that you have the
burden to present a prima facie case.

The last thing I will say, again, relates to what happens in
the motion papers. I am seeing a lot of characterizations of
opponent's arguments. For example, "My opponent's argument is
ridiculous," or, "My opponent makes this picayune point." That
does not help your case. When I read that, and to a number of
other judges, that says your best case is to slime my opponent.
If their argument is ridiculous, you can show on the facts and
the law why your opponent is incorrect. Stick to the merits.
You do not have to characterize the opponent's case. It just
leaves the impression with me and others that your case is weak.

I think that about exhausts my list of horribles or whatever
you want to call them. Thanks.

MR. PERRY: Jerry Voight is with us from Finnegan Henderson.
He is currently chair of the ABA Interference Committee,
Committee 152. Jerry is going to talk about some problems from
the point of view of the private practitioner. I think he is
hopefully going to share with us his thoughts on what he likes
and dislikes on the orders currently being issued by APJs in
interference cases.
MR. VOIGHT: Thank you, Lawrence. Indeed, what I want to talk about--and I think it fits very well what we just heard from Rick Schafer--are things from our, the practitioner's, side of the table, that the Board is doing that work or do not work.

In my remarks, to the extent I mention things that work, they are my own comments. To the extent I mention things that Board members may consider criticism, they come from other members of my committee.

(Laughter).

One of the things that our committee has discussed, and been troubled by, is a lack of uniform procedures and the lack of uniformity in the interlocutory orders.

In my career, going back, as you can probably tell, a long time, even before the 1985 rule changes, the procedure has always been very similar. A uniform procedure existed in all interferences. In about 1995, we started seeing all of the APJs, or nearly all of them, adopt their own interlocutory orders and the procedures started to vary a great deal.

I am pleased to find out that we are going back to a uniform procedure. The lack of uniformity we went through probably served a purpose. I think it allowed the Board to experiment with some things. We found some things that work and do not work. So I really do not want to be too critical of the Board for having done it, but it does present a problem for all of us.
Come up with any order you want, it does not matter too much, if you have only a single interference. But take people like me and virtually everybody out here in the audience, we have a lot of interferences and I think it is a bit of a trap if we have to deal with ten different procedures or ten different interlocutory orders. They all have differences and sometimes they are kind of subtle, and it is not so easy to pick up on the differences.

Another thing—maybe this is also going to be moot, I hope so, with the new procedures—with regard to the interlocutory orders, they all end with a section that sets forth due dates, but hidden in that order are inevitably other due dates. Quite frankly, I think that is a bit unfair. It is a trap for us.

I went through an order just today and the first date set at the end of the order was for filing identification of the lead attorney. There was another date, only five days after that date, that was hidden in the middle of the order. It is really easy to miss that. Indeed, having due dates set forth at the end of the order is almost a trap when you have other dates hidden in the middle of the order.

I hope when we come to a uniform order, that all the due dates are set forth at the end or in one place.

I also want to note that my committee did offer at one time to try to draft a uniform interlocutory order. At that time, there was little interest in our offer. The project evolved into
an attempt to come up with a uniform cover sheet for interlocutory orders. The cover sheet included a number of items, often with several alternatives. The appropriate alternative could be checked, and dates filled in, to give you a clue, even on a quick read, as to what was in the order.

I certainly do not think that is necessary if we are going to go to a uniform order. I think a uniform order indeed is a good way to go and I commend you.

Another thing that has been talked about today is providing files. I am pleased to know there is progress being made there. It has probably over time gotten better, but I will tell you this has been a real problem for us. We cannot obtain files. Of course, I know this is out of the hands of the APJs, and it ought to be. APJs should not have to deal with that kind of detail, but while it has gotten better, it is not a problem that has gone away. Indeed, the APJs often have to get involved so you can get the files so the case can go forward.

Some APJs require the parties to exchange copies of file histories. If the parties want to do it voluntarily, fine; but I do not think that is very satisfactory. For one thing, you do not know for sure if you are working with the same file that the Patent Office is. And, inevitably, when files are exchanged, you get information that is not present in the Patent Office file. Nine times out of, probably ninety-nine times out of a hundred,
it is innocuous information, nothing that really helps you--and hopefully it does not hurt you, if you are the one producing the files--but it is almost impossible to extract out everything that you have in your file that was not in the official file history.

Just a simple example. My file is going to show when an office action was received and it is virtually impossible to obliterate that information. Does anybody care? I do not think so. When I have had to exchange files, this has never bothered me, but you just never know. There are things in there that maybe you should not have to give up. So I think requiring the parties to provide file histories is not a satisfactory answer.

There are other problems with it, too. Sometimes--and it is true of all of us here--I take on interferences in cases where I had nothing to do with the prosecution. I do not have any idea what shape those files are in or if they are accurate or complete.

MR. FRANK PAINTIN: Let me say one thing, Jerry. I agree with you. I had an interference where a party had filed an amendment canceling some claims by facsimile. It was never entered, but when you got a copy of that party's file, it looked like those claims were canceled, and they never were canceled.

MR. VOIGHT: That is a better example than any I came up with. That is the sort of problem you run into. I really do appreciate the importance of the integrity of the files and I
know you have had real problems with that. I understand that, and you have to control that, but there must be a better way.

One thought I have had was maybe the parties should receive a pre-interlocutory order setting up the interference that says, "Your case is about to go into an interference. If you would like to get copies of all file histories, along with the declaration of the interference, send in a fee." I do not know if that is workable or not, but I am sure that somebody can come up with a better procedure than we have now.

Another thing that our committee has talked about is the time for serving preliminary statements. You go way, way back, preliminary statements were served as the first item of business. Then we went to the new rules in 1985. I think it is clear the new rules imply that preliminary statements are to be served after motions are decided. That is what everybody did for ten years. Then, in about 1995, some of the APJs started deciding first thing we are going to do is exchange preliminary statements. I do not know who was the first to come up with it. Mike Sofocleous was the first APJ I saw doing that. We have talked about this in our committee and came to the conclusion that an early exchange works pretty well. The committee did not seem to care too much when you are required to serve the preliminary statements but generally tended to favor doing it early.
This appears to be where we are headed again; one of the first orders of business is going to be to serve the preliminary statements. I think it is probably not a big advantage, but it does immediately somewhat crystallize and focus the issues. On balance this is a better way to go.

Another thing that works is the requirement for mandatory settlement discussions. Some of the APJs have in their interlocutory orders a requirement that the parties have settlement discussions and report in a telephone conference what has taken place. I do not know who originated this, but Marc Caroff was the first APJ I saw do it. I have found it works. If the case is not going to settle and there is no interest in it, you find out early on, and it is not a lot of work for the attorneys.

On the other hand, if there is a chance for settlement, you may settle it right up front and save everybody a lot of time and money. Most importantly, I think it works because sometimes neither party wants to be the one who raises settlement first. They think it is a concession of weakness. By having the APJ require that you enter into settlement discussions, you do not have to worry about being perceived as weak. "Why am I raising settlement? I am raising it because the APJ told me to."

I would urge that mandatory settlement discussions be included in the uniform interlocutory order, if a uniform
Something I think that does not work is the requirement I see fairly frequently now in interlocutory orders that the parties must confer before they file [37 CFR § 1.] motions. It is not always all Rule 633 motions but at least Rule 633(c) and Rule 633(i) motion, the motions that involve reformulating or amending the interference.

As background, prior to the 1995 rule change, the proposed rules included a requirement that the parties confer before they filed a Rule 633 motion. As you all know, the rules require you to confer before you file a Rule 635 motion. The proposal was to expand this requirement to include Rule 633 motions as well. The Bar was not really happy with this proposal. I was one of the people from the patent bar who testified against that proposal. Indeed, I urged the elimination of the requirement from Rule 635. In my experience, conferring with opposing counsel is a waste of time for everything other than nonsubstantive matters, such as extensions of time. Nobody ever agrees on a substantive matter, so all the requirement does is add a step that does not accomplish anything.

It is bad enough with Rule 635 motions, but what happens now if your opponent is going to file a Rule 633(c) motion? You are sitting in your office, the phone rings, and your opposing counsel is on the phone. He proceeds to read you a new count.
that he wants to propose that is five pages long. When he gets
through reading the proposed new count to you, he gives you about
three quick sentences as to why this is so much better than the
present count and why it is good for you. Then he says, "Do you
agree?" You suggest that maybe you would like him to send it to
you in writing so you can consider it more carefully, but you
will take his comments under advisement.

What do you get the next day? You get a letter stating that
the APJ's order requires the parties to confer in good faith and
try to work these things out and you are not conferring in good
faith. Moreover, the basis of the motion has been explained to
you and your refusal to accept such an obviously meritorious
motion shows you are not acting in good faith.

Another thing that happens, your opponent calls with
something more simple that you can understand, and you say
something like, "Oh, I don't know, I understand your proposal and
I certainly think from your standpoint it seems reasonable."
The next day you get a letter that says, "Glad that you agree
with my position." Then you must write your opponent a letter,
and you go back and forth and call each other names for five or
six letters. The upshot is that you end up spending twice as
much time to get that motion done because you have had to respond
to five different letters explaining why, indeed, you are not
acting in bad faith. This really has not advanced the case at
To make it worse, typically orders require you to file a certificate stating all the facts and reasons in support of the motion discussed. You may also be required to identify the issues of fact in dispute and state why the opponent disagrees. I always thought that was the purpose of the motion, the opposition, and the reply. It seems we only need a single paper now because it will all be in the first paper. In fact, to get to that stage, we have to have gone through the whole motion period in advance. It really, truly, doubles the cost and accomplishes nothing. So that is one thing I hope will go away. In all fairness, sometimes maybe the conferring requirement does focus the issues a little bit, but at a terrible cost. It truly doubles the cost and it takes time.

Another item that our committee has addressed and complained about is the lack of published Board opinions. All of us on the outside know that the Board is dealing with and deciding important issues every day, but the only opinions we see are in our own cases. There just are not any published Board cases. Now, I have heard that you are going to do something about this but I have not seen it yet. I urge you to start publishing Board decisions. They will be very, very helpful to us on the outside and I think helpful to you because we will have some common ground to work from.
I understand the concern. No APJ wants to be bound by a panel that he or she was not a member of—or even a panel he or she was a member of—but I think that concern can be addressed. Publish the decisions and make them citable. Do not do as the Federal Circuit does and rule we cannot cite them. You do not have to make them binding. You can say this is a non-binding opinion. I will be perfectly happy with that, but, nevertheless, it should be citable as authority, even though non-binding authority.

One last comment on some things that the Board does right. Our committee meets on a fairly regular basis and at every meeting there are some APJs that attend. I know that is true in the AIPLA committee, too. Thank you. That is very helpful. The Committee really is thankful. I hear repeatedly that a reason people come to the meeting is because you are there and we can get your insights and comments. It is very helpful to us. We appreciate it.

I think you can say the same thing with a meeting like we are having today, and particularly the comments Rick Schafer made. Also I would like to mention there was a paper that Judge McKelvey put out within the last year containing various guidelines. Those are really very helpful to us and we appreciate it. Thank you.

MR. PERRY: Thank you, Jerry. Paul Morgan is here with us
today from Xerox. He is a past chair of the AIPLA Interference
Committee and the Board of Directors. Paul is going to give us
his thoughts of interference practice from the standpoint of the
corporate attorney.

MR. MORGAN: Thank you. I have handouts so you can scribble
on this instead of having to take notes. This will save time. I
will probably have to cut these remarks short anyway. Also, the
Commissioner has already stolen considerable of my thunder
because I completely agree with his characterization from our
standpoint.

COMMISSIONER DICKINSON: That is because I was a corporate
practitioner for most of my career.

MR. MORGAN: That is why I am here. I am, as usual, the
sole corporate practitioner. Thank you very much for inviting me
as the corporate representative.

I am also the AIPLA Board member liaison to the Interference
Committee, so I have to make the usual disclaimers that these are
personal opinions. Although, in fact, they are not personal
opinions.

I have one specific AIPLA Board resolution to present in
this paper, which was just passed by the Board last year, which
we think will shorten interferences. To be honest, I have
circulated this paper to a number of people that really are
interference practitioners, that is the mavens of the business,
many of whom are here, and had remarkable agreement that what I am going to say is what they would like to say but maybe do not want to. So I think that it is fair to make that statement.

I would like, first of all, to agree with everything that Jerry Voight just said. I have already agreed with everything the Commissioner said. I am also going to agree with everything that Ray Green is going to say because I have read his paper. So there is remarkable unanimity there.

I do not have any silver bullet. There is only one silver bullet--first to file--and we are not going to get it, politically. So, therefore, we have to live with the system. What I have tried to present is a few bullets that are not silver, but I hope will do some good to kill some very unnecessary interferences, which, in my opinion, are clogging the system, and, therefore, give more time to the Board to handle the real interferences, that is, real priority contests. There is no way we are going to make real priority contests simple, cheap, or fast in my opinion, but it would help if we got rid of some of the ones that are not even really priority contests.

Oh, also, I forgot to agree with the Judges. Excuse me. I support the concept of the trial judge system in a Trial Section in principle, but in action is the concern, and the real concern is whether the way it is operated will provide what the AIPLA and what the previous AIPLA and ABA interference committees, and one
of the resolutions of Maurice Klitzman's committee before, have sought and that is primarily the quick, cheap disposal of interferences that should not be interferences. I am going to get into that.

I could spend only ten seconds to explain what the corporate attorney view of interferences is because it is universal, shared by the client, and easily stated. We do not like interferences and we would like to get rid of them. Since we cannot do that, the question is what can we do to make them very much faster, cheaper, simpler, and less frequent. Those views, of course, should not be surprising since we are the only ones paying the entire cost of the system, both on the Patent Office side and the Bar side.

As I think many of the Board members have pointed out in the past, the interferences are aggravating even our serious ex parte appeals backlog problems by diverting Board resources from ex parte cases. I hope that is not overstating the case, but I think it is a fair statement.

In short, we think we are the real "customers." I put customers in quotes because I know this is a popular word in the Patent Office, and I hope that will be taken in that context. We think the system ought to operate for the benefit of the customer, which is us, rather than people inside or outside the Patent Office who practice in this area, notwithstanding the fact
that I have an extremely high regard for the professionalism of
the people that practice in this area, both inside and outside
the Patent Office.

I also think it is important to note that, while
interferences are infrequent, that number is very deceiving.
Many are very important. There are a number that are delaying
commercialization of important new technologies, two or three
Nobel Prize–winning topics, and a number of other important
inventions that end up in interferences and are delayed for the
public. I think it is hurting the economy as well the public.

I mean, ask the question: Who wants to make large
investments in a new technology--factories, development,
whatever--when the ownership of that technology is going to be
tied up for years in a legal dispute that cannot be expedited?
There is no system for prioritizing or expediting publicly
important interferences from those that are not. I have been
predicting for years that we are headed one of these days for a
public relations disaster for the Patent Office as a result. My
concern is hasty action by people who do not understand what
[35 U.S.C. §] 102(g) is all about. We all know what hasty action
in Congress can do, so we do not want to invite that.

I think we ought to try and fix the system as much as we can
if we cannot get first-to-file.

One of the aspects where corporate practitioners may differ
from interference specialists is that we are much more eager to
avoid or settle interferences. I do not have any specific
recommendations in that regard, but we do find it difficult to
settle interferences. Some of those difficulties are due to
legal uncertainties, one of them being created by the Patent
Office's new Rule 658(c), the expansion of interference estoppel
to both parties.

We also think that settlements were easier in some cases
under the prior interference rules. This ties into one thing
Jerry said. I am old enough to have practiced under the old
system and have felt that settlements were easier when the first
thing you did was file preliminary statements. Since you knew
that was coming, yours was going to be served and the other party
was going to see your preliminary statement and see how bad your
case was--this was a very strong inducement to a fast settlement.
I wonder then if we ought to reconsider going back to that
previous practice rather than the present system, in which,
before filing preliminary statements, the parties are wasting a
lot of time and money, mud slinging on every possible
non-priority issue in the motion period, because in the present
practice you have to do everything at once in the first three or
four months.

The virtual absence of any effective discovery in
interferences does not help settle the cases either, but
corporate people talk out of both sides of their mouth on this issue because they also do not want to pay for discovery, so we do not want discovery in interferences, but it is admittedly a problem with settlements.

In general, I think I have to say that every outsider to the present interference system that I have ever talked to is unhappy with it, including many of my fellow Board members in the AIPLA. They are frustrated and unhappy. They do not quite know what to do. They do not like it, but they do not know what to do about it.

Even a lot of you insiders I think are frustrated with many aspects of it. Everybody agrees the current backlog is simply unacceptable. We cannot have a high technology society that takes years to decide who owns something in the new technology.

To quote one of the Board members, we are not interested in just putting more patches on a leaking canoe. We want to see some re-engineering changes that are serious or, in the latest corporate jargon, more "out of the box" thinking. Thus I am pleased to hear that the Board seems to be considering just that and not just some more rule tweaking.

However, then it gets to the real question of what re-engineering would really help. As I said before, corporate practitioners are frustrated because most of them do not know enough about the details of the Byzantine complexity of
interference practice to even make intelligent rule suggestions or even participate in the committees. For years I was the only one that showed up from a corporation in the AIPLA.

In brief, we want major changes coming from the Patent Office that will help the 99.9 percent of the Patent Bar who regard interferences as the bane of their practice, and who pay for them. We do not want to pay for more changes that just make life easier for Board members, either.

Getting back to what I said before, I think the proposal we are most concerned about with this new trial system is will it accomplish the reforms that we have been specifically requesting. To summarize those reforms, the most important are stopping inappropriate, unnecessary interferences up front, fast and cheaply, with summary judgments. I am calling them summary judgments, even though, as you all know, that is a very limited term in interference practice under the present rules.

Especially stopping interferences where there is no real interference at all--no actual priority of invention contest. The worst of that situation in particular is where junior patentee parties do not even have so much as a prima facie priority case or interferences subject to [35 U.S.C.] § 102 or § 135(b) statutory bars, even though Fred tells me there is no such thing as a § 102 bar in an interference, but there are some close cases, I think, or interferences over unpatentable subject
matter for other reasons.

I will discuss that in a little more detail later if I have time. Cut me off if I run over, okay?

Getting back to why it is important. It is of vital importance from the corporate viewpoint that dispositive issues be summarily decided before the parties are forced, as they are now, to spend, up front, up to hundreds of thousands of dollars and a great deal of wasted time within the first three to four months of an interference. That is the present system.

That is because we are required to raise, support, and respond to every possible motion topic plus all the research for the preliminary statements in that very brief initial time period. I am concerned that the system being proposed may make that worse.

This very heavy front-loading of the interferences, and interference costs and burdens under the current procedure is a great waste of time and money, since almost all of the issues that we are now forced to raise all at once in one short motion period become moot or never get decided.

All those rush-filed papers are simply, typically ignored by the Patent Office for approximately two years and then not actually ruled on by anyone for yet another two or three years, if ever, and only if repeated in final briefs. The first part of that I hope will get changed by this new system.
This unique and arcane procedure has not shortened interference pendencies, it just runs up bills and paper work. Furthermore, this procedure is completely at odds with modern, normal, and common sense jurisprudence, which allows litigation to be promptly disposed of on any one dispositive issue before costly time-wasting by the parties and the judge on every other possible issue. Would any good district court judge drag parties through a multi-year, multi-issue, patent infringement suit when one fatal defect in the patent could end the litigation before it even starts by summary judgment? Only someone who has spent too long in interference practice would think that is logical, or someone who is not yet been disabused of the myth that long interference delays are due to the parties when we all know they are due almost entirely to the Patent Office.

Well, I think you get my point.

(Laughter.)

If the proposed new procedure is going to increase rather than decrease the heavy, front-loaded legal costs and workloads, we are against it. Yet my understanding--and I hope it is wrong because I only heard a little bit about it--is that the Board may be considering forcing all parties to take up-front cross-examinations, which costs us more than $1,000 an hour, of every declaration on every motion before deciding anything.
I lack tactful words to fully express my opinion on that subject. We are not bottomless gold mines. We do not think that the Patent Office should be imposing major legal cost increases, certainly not for small companies or private inventors, and it seems to me to be moving even further away from a normal summary judgment system.

Again, as I said at the very beginning, this is not a silver bullet for every case, but I do think a significant number of interferences could be eliminated up front.

Now I am going to get into the AIPLA resolution. I just want to read the AIPLA resolution and then I will end. In particular, we strongly urge your immediate adoption of the specific interference reform resolution passed by the AIPLA Board of Directors just this year, which reads as follows:

RESOLVED that the AIPLA is in favor of having Administrative Patent Judges require patentees who are junior parties to interferences by more than three months to make a prima facie showing of priority with respect to the effective filing date of the senior party, analogous to the present requirement of 37 CFR § 1.608(b) for prospective junior party-applicants before the interference may proceed. The AIPLA Board feels that this change could effectively reduce inappropriately litigated interferences. I have a number
of other specific suggestions, more bullets, which we think could also make some other changes or improvements. Ray Green has some specific suggestions that tie into this in terms of how to handle motion periods that we think will be more efficient.

Thank you.

MR. PERRY: We have been waiting to hear from Senior Judge Fred McKelvey. Last spring Fred prepared a helpful hints paper, which he distributed to members of AIPLA and ABA interference committees. I know I found them to be invaluable and I am sure that everything he has to say now is going to be just as invaluable.

JUDGE McKELVEY: I was volunteered Army-style by the Chief Judge, to say something today, so I am here. Thank you.

As Judge Stoner mentioned, we are going to establish a Trial Section, and we will accomplish some, if not most, of the objectives that were mentioned by Jerry Voight.

I think that Jerry Voight's comment about the lack of uniformity in interferences will be solved by a Trial Section. There will be a standard declaration order that will cover a multitude of items that should help both you and us. There are copies available here so everybody is free to pick up copies on the way out. There will also be a standard preliminary motion order and a standard testimony and briefing schedule. The latter may end up being two orders, depending on the situation.
The orders do not have due dates at the end of the order, as Jerry suggested, although I am going to give that some thought. I can tell you that all due dates are in bold. If the date is not in bold, it is because it is not significant.

(Laughter.)

For example, in an order we may mention dates of this, that, and the other, but if it is in bold, that is a due date. It is a practice that I picked up from a district court judge who also has an order that did not have all its dates at the end.

I can tell you one reason why we do not put the dates at the end, and that is so that people will read them. I guess in the ideal world, I would have each counsel initial each paragraph and send a copy back to me. Of course, they might ask me to do the same with their brief, and maybe that would be fair. In any event, I may take up Jerry's idea, and say in these various paragraphs, "as set forth in the last paragraph of this order, you are required to do so and so."

Another concern we had was, if we have two different dates for the same item, there could be a conflict there.

Providing copies of files has been a definite problem. There were various suggestions, such as "You could let us know we are going to be in an interference and we could order the files ahead of time," and so forth and so on. I might give you a little hint on how we are going to handle file copies. There is
a time period called "the black hole of interferences," which is
the time period between when the Examiner decides there should be
an interference and the time it is declared.

I picked up one today where the Form PTO-850 was signed in
January of 1997, but it reached the Board in February of 1998.
You figure that out. That is thirteen months. There was a
notice in the patent file that you might get involved in an
interference. That was July. Then it came to me. I can assure
you that the Rule 609(b) statement was unsatisfactory. It is
going back to the Patent Corps. So there is this black hole, now
essentially a year and three-quarters, where nothing has
happened.

What we intend to do is to note very carefully the day it
comes to the Board. We are going to try in seven days to make
sure that there are certain things there: all the files, a Form
PTO-850, and a Rule 609(b) statement. If any of those are
lacking, it goes back to the Technology Center with an E-mail,
and these will be documented dates. We are going to try to
figure out a way to let both counsel know what has occurred.
Then you can go back to the Technology Center if you wish and
find out why your case has not moved.

If it has all those items, then we are going to take a look
at the Rule 609(b) statement and the Form PTO-850. Depending on
the circumstances, but within one month, either an interference
will be declared or it will go back. When I say it goes back, I mean the whole thing goes back, including the files and all papers. Again, we are going to create a nice little record of this. We will try to let the counsel know what the problem is.

We may be impeded by 35 U.S.C. § 122 a little bit. Maybe we can redact the opponent's information in the E-mail.

My least enjoyable part about interferences is where are the files. As much as six months ago, I was thinking maybe I would talk to the Chief Judge and do ex parte cases. You cannot work on an ex parte case when you do not have the file. Generally nobody is trying to order it, so when you do get it, you work on it.

Basically, as I mentioned before, all the files must be there. All the benefit files and the involved files must be there before we are going to do anything. If not, it is the examining corp's problem fundamentally. They are not supposed to send it to us without all the files. There is no way you can tell if somebody should be accorded benefit unless you have looked at that file.

So we will have the files. The difference between what may occur in the future and what happened in the past is we are not going to let those files out. Period. If Commissioner Lehman wants to see the file, we have to figure out a way to tell the Commissioner that, when I am inclined to let him see it, he can
see it. Basically, these files are not going out. Why? Because we want you to order them from us as a part of the interference, and you have fourteen days to do it.

Now Pat Rowe mentioned the deposit account. I had a recent interference in which Danny Huntington [a member of the audience] is involved. I am going to talk about that case a little bit. Sixty files. Danny's account had money in it. His opponent's did not. Those files go out today, when I thought they were going out last Friday. If you do not have the money in your deposit account, Pat cannot fill it.

What we are going to do is take those orders and put them in the files and send them over to what is now called the Office of Public Records--DSD is now old jargon. Both parties get them at the same time. If you do not order the file in fourteen days, that order is going over anyway. If you come in and say, "Well, I did not order my file on time," you have a real problem because no extension of time is going to be granted based on your failure to timely order that file. The interference is going to go forward.

What we hope to accomplish by this is this: we have all the files, we get the two orders, and you get your files. As Pat says, you should receive copies within fourteen days from the date he receives the order. So basically, within five weeks you should be ready to have a conference call to set times for taking
action during the preliminary motion phase of the interference.

Preliminary statements were mentioned both by Paul Morgan and by Jerry Voight. Our proposal is to have those served relatively early and opened early. They are open a week after they are served. The only reason for not having them just served without being open is because things can cross in the mail. Since express mail is very fast, you might actually receive your opponent's statement before you have to send your statement.

The comment by Jerry about settlement discussions is a very interesting comment that I had not appreciated. That is what these meetings are all about. I made a note here that the attorneys are not our enemies.

(Laughter.)

And that attorneys have client problems. You know, I used to have a client here. Now the current client, of course, was never a problem, but all the past Commissioners--except Jerry Mossinghoff--were problems at one time or another, not doing what you want them to do. You know what I mean. Which is another way of saying they do not follow your advice.

I once saw a district court judge tell the court reporter, "You stop recording and I want to talk to these two folks." This was not my government client, it was the private client. "Are you having problems with your client, and is there something I need to put in this order to help you get that client to do
something?" Believe it or not, the attorney said, "If you would put so and so in, it would be very helpful." Then the judge said, "you can now come back on the record."

You can imagine what was in that order. I later asked that lawyer about it, and he said he had no more problems. So there are ways to get things handled the conference calls, and most business will be that way. If you need something in an order to help you convince a client that it is the bad guy in Arlington that wants this done and not you, that is perfectly fine. I mean that is just sort of, shall we say, working the system and administering justice in a reasonable way.

There will be no requirement for conference calls with other attorneys on Rule 633 motions. My own experience is that is counter productive. However, on Rule 635 motions, I have used a practice for some time now that has not only cut down on the motions, but I think leads to counsel being reasonable, and that is no Rule 635 motions may be filed without a conference call first to the judge.

Why? First of all, the party making the motion has to say "I am going to have to tell that Judge what it is I want, and what I want is not really passing the 'ha ha' test."

If you do have something that is good, then the opponent is in that same position, "I am going to have to tell the judge I am not going to give him the rest of the document that he is asking
for, after I put half of it in evidence and he just wants to see
the rest of it," and that is going to have to be explained to the
judge. That motion is granted with no paperwork. Right then and
there, turn it over, it will be sent by FEDEX by four o'clock in
the afternoon. I then assume that is the end of the problem.

If it is a complicated matter, have a court reporter on the
line. We will take the motion and the opposition orally, and we
will decide it right then and there. This is done all the time
in trial courts, but if it is too complicated, we may ask for
papers. Either way, most of the time it should be able to
resolve itself.

Somebody might ask, "Can I tape record a conversation?" The
problem will be that the other counsel does not trust your tape
recorder. They will trust a court reporter. So you can work it
out. You may want to make a record of this matter. Most of the
time that I have had a court reporter on the line, there never is
a problem.

If you have a problem during a deposition, then you should
definitely call us with the court reporter on the line so they
can read back the question these "unreasonable" people are not
answering. That tends to cut down on the "do not answer that
question" instruction.

One time I got three calls in one day. I told them, if I
get a fourth one, you will be in my garage in Dale City,
Virginia, on Saturday--this was a Thursday on a deposition in L.A.--and there will be a court room there, it may not be fancy, with a court reporter, and we will get this handled.

As I said, it took care of itself really quickly. I never saw those people. In fact, they settled the case. You know, we have a courtroom in Arlington, Virginia. We will just have you come, court reporter, witness, and lawyers, and sit right there and we will direct people to answer if it becomes necessary.

There were some other things that I would like to comment on so as not to take too much time. We will set our times with conference calls, so it behooves counsel to talk and figure out where they are going to be. We will try to schedule matters so they can be decided, so that you do not have to hurry up and then wait.

You should feel free to place a conference call. One thing we do not want is an ex parte call to us to discuss what we are going to talk about in a conference call. I find that very objectionable. We have Administrator Mel Cashion over here. You can call Mel and say "I need to talk to the judge about such and such, and somebody will be available," but ex parte conferences with the judges are not appropriate and our orders will make that clear.

One thing we are going to authorize that was not authorized in the past is if you want to file a ZIP drive or CD ROM disc at
the preliminary motion stage or at the final briefing stage, you are free to do so. Your opponent does not have to. This is something that is strictly up to the parties. I have found discs very useful in trying to find evidence. What would be on a disc could be the specifications, it could be the testimony--by that I mean the direct testimony in affidavit form--the cross examination, typewritten exhibits that you may have, and so forth. The briefing papers, for example, might be included. Then it is very easy to find whether an argument was made. You cannot always tell that one was not made.

There are certain things in this order that may help your case, even though they may be viewed as somewhat of a pain in the neck by the lawyers. When an expert witness affidavit comes in, we want the underlying facts and basis for that opinion. The Federal Rules of Evidence authorizes courts to require that and we want it because it goes to the very weight we are going to give the testimony.

The option is to wait for cross examination. However, if it is in the affidavit itself, it can go a long way to eliminate cross examination if the opponent sees there is a decent basis, particularly if it is backed up with documentary evidence of some sort.

The same applies to scientific tests. We often get testimony and arguments about a certain test and we are not
exactly familiar with all these tests so we want you to explain
the test. In other words, you measure the infrared of this
compound and give us a graph. Well, we want a description of
what that test is and how it works and examples of it and so
forth, so we know exactly what weight to give that testimony.

I think these are just a few items that help you understand
where we are coming from. It is one of these things that needs
to be sort of a mutual appreciation. We to some extent live in
our little world and assume everybody knows what is going on in
it. I think lawyers tend to live in their little world and know
a case a whole lot better than we do. What we are talking about
here is being able to translate to you what we know that you do
not and vice versa. So we are telling you that we do not always
understand these scientific tests and we would like to have some
information.

I will talk about two other things. A practice that I have
used that has been very helpful is uniform numbering of exhibits.
We would like the junior party to start with exhibit number 1000.
All exhibits must be labeled consecutively. No two exhibits have
the same number. If an exhibit is 1000 here, it is 1000 with the
next witness, and it is 1000 with the third witness. It is 1000
whenever you want to talk about it. If you never introduce 1000
into evidence, that is fine, but there will be only one
throughout the whole case.
The senior party's starts with 2000. This immediately tells us whose exhibit it is when we see the number and there will not be two with the same number throughout the entire case. Exhibit 1000 in Paul Morgan's deposition is the same Exhibit 1000 in Jerry Voight's deposition. We do not have to guess at it.

Lastly, I would like to close with this thought. The most difficult problem that I have had in interferences is the oppositions and the replies, especially the replies. While I am a little bit reluctant to tell people how to argue their cases, the fact of the matter is you cannot sort out what the issues are in these cases as easily as it might seem. So we are going to highly recommend, if not require, that when you file an opposition, what you say is, "On page two of that motion, it is argued _________ and my answer is _________," or in a reply you say, "In the opposition, on page six, line eight, it is argued _________ and my answer is _________." That is a simple way of making sure no new issue is raised. Quite frankly, I have reached the point where if a new issue is raised in a reply, I just send the whole reply back. If I cannot tell what is new and what is not, why waste my time. It is really unfair to the opponent to raise a new issue at the end. So if you will follow our little suggestion, you will be fine. In fact, your reply should be this simple: "This is in reply to so-and-so's opposition. On page two, he argues this. Here is my answer."
None of this restating your case. If we do not know it by the
reply, then we do not know it.

Now, Judge Schafer limits things to fifteen pages. I
reasoned with him a little bit and, after buying him a couple of
lunches, he agreed to go to twenty-five. Why twenty-five?
Because after it gets to thirty, when I am on page thirty-one, I
forget what was on page one, and when I get to page thirty-two, I
forget what was on page two. I am getting older so I am just
sort of getting ahead of it a little bit by having a page limit
of twenty-five.

Jerry Voight had a case with me where clearly more pages
were needed. It was obvious it needed more, we agreed to have
more and, as a matter of fact, the motion never got filed. It
went off on a different track. We recognize it sometimes takes
more, but still, when I reach page thirty-one, I will have
forgotten what was on page one.

MR. VOIGHT: I probably would have, too.

JUDGE McKELVEY: So on the way out you can pick up copies of
these three orders. I guess I should say one more thing. We are
going to ask people to put a pink sheet right on the top on every
paper filed in an interference because this helps route it
through the Board and get it to the people who are going to
docket papers. Another internal problem we have sometimes is
moving our own papers through. So buy a good supply of pink
paper and put one on each filing.

It will also make it easier for those of us and you who have
to use the interference file because there will be a pink sheets
between each paper in the file, which should help matters
considerably.

So, with that, I will turn it back to you, Lawrence.

MR. PERRY: Thank you, Fred.

MR. PAINTIN: Could I ask Fred one question?

JUDGE McKELVEY: And your name, Frank, so the court reporter
knows?

MR. PAINTIN: Frank Paintin. On the idea of requiring
people to order copies in fourteen days, there is a little bit of
a problem with that. Many interferences are declared while the
file is in the hands of the attorney who prosecuted the case.
The client hears about it after the declaration and he may not
get it for a week. I mean literally, Washington to New York mail
often takes one week and if somebody says it takes ten days, I
will believe them.

At any rate, then there is a problem where the client says,
well, I do not want Joe Dokes to handle the interference, I want
a real expert like Jerry Voight to handle it. He may not get
that in fourteen days. I would respectfully suggest you say
twenty-one, at least, because the mail just--

JUDGE McKELVEY: So if you used FEDEX, you would get it the
next day, you would eliminate the seven, and we would be back to fourteen?

MR. PAINTIN: You mean if you send it out FEDEX?

JUDGE McKELVEY: No, if you send your letter FEDEX.

MR. PAINTIN: No, I am not worried about that, I can fax my letter to you. But the declaration--

JUDGE McKELVEY: All declarations are forwarded to counsel via Federal Express.

MR. PAINTIN: Okay, that is--

MR. MORGAN: I think I can explain Frank's problem more directly. The typical notice of interference is received by an attorney who does not know anything about interferences, does not know what it means, does not understand it. It is going to take him, in many cases, a month or two to find out who is an interference expert that he can hire to work on this case for him, and then that guy has to get involved in it.

You hear so many times that interference papers go to people who are competent. They do not. They typically go to somebody who does not know anything about it.

RAY GREEN: I have some comments that I would like to make.

COMMISSIONER DICKINSON: Paul, you should know that one practitioner has suggested that we make the declaration of all interferences available to everyone on the stated purpose that, if they were available to everyone, those of you who specialize
in interference practice would be able to monitor them and mail
CVs and other important information to speed up that process.

(Laughter.)

I will not tell you who that was. You might guess, but I
will not tell you.

MR. GREEN: My name is Ray Green. I am with Brinks, Hofer,
Gilson & Lione in Chicago, in private practice. I used to be an
in-house counsel at a corporation, so I can empathize with Paul
Morgan a great deal.

First of all, I would like to thank Chief Judge Stoner and
others who have worked to improve interference practice in the
last few years. We have been making some progress, but we need
to make a lot more. I have reviewed advance copies of Paul
Morgan's speech and I agree with most of what he has had to say.
I agree with most of what everybody has had to say.

Paul's speech stimulated in me a plan, which I have here to
present to you, which might help. I read Paul's speech as saying
here is what the problem is and I said, okay, how can we solve
that. So I have some copies of this to hand out to you.

I chair the AIPLA Interference Committee for the next year,
but what I have to say reflects my personal views, not
necessarily those of any law firm, its clients, the AIPLA, or the
Interference Committee.

The problem with interferences today as I see it is that
interferences try to accomplish too much. In 1984, Congress told
the Board that they may decide questions of patentability, a
jurisdiction that is highly desirable to avoid absurd results
when the Board is aware of non-patentability of claims of
interference parties.

Given this expanded jurisdiction, it became the mission of
the Board to settle all issues that were raised and decided in
the interference, or could have been raised and decided by
preliminary motion, and that is written into [37 CFR §] 658(c) on
interference estoppel.

While it would be nice to decide all disputes between
parties of an interference, the Board just does not have time to
do so and will not until Congress lets the Patent Office hire all
the judges the Board needs to decide all issues raised in
interferences. We need to prioritize.

I propose that the motion period be organized into four
phases, the first of which could be before the interference is
formally declared.

First is the identification and [37 CFR §] 608 phase. Each
party would be required to identify its real party in interest;
any known existing interferences or appeals that will affect or
be affected by or have a bearing on interference subject matter,
which could be identified prior to declaration of the
interference as the claims which are expected to be designated as
corresponding to the counts of the interference; and, third, any
prior art or other information known to the party that is
material to the patentability of the claims.

Each junior party patentee should be required to provide
declarations of invention prior to its opponent's effective
filing date, analogous to those of Rules 608(a) and (b) for
patent applicants, before the interference proceeds.

Second would be the privileged motion phase. Any motion
alleging that the interference ought not to have been declared
because the claims were not patentable over prior art or not
supported by an opponent's specification, or that there is no
interference-in-fact or otherwise, should receive preferred
status and be decided before other motions may be filed. Any
substantive motions not alleging that the interference ought not
to have been declared should not be filed, or if filed, should be
dismissed as premature, until the privileged motions are decided.

Third would be the preliminary statement phase. Upon
decision of the privileged motions, the interference would be
either terminated without other preliminary motions having been
filed or decided, or the parties would be ordered to file
preliminary statements. Soon after preliminary statements have
been filed, they should be served on opponents and open on the
record.

Fourth would be the traditional preliminary motion phase.
After decision on motion, or by default in the absence of a motion, that the interference is properly declared, preliminary statements are exchanged and other preliminary motions would be in order. The interference would then continue as in the present practice.

We need to suspend interference estoppel with respect to matters not actually decided but which could been properly raised in all cases which do not reach final hearing, so as to avoid the need for interference parties filing every conceivable motion, under pain of not being able to ever raise the matter in the Patent Office again. This is partially addressed in the above scheme by dismissing some motions as premature and terminating the interference if it is determined that it should not have been declared.

The Interference Committee's goal for 1998-99 is to make priority determinations in interferences speedy, just and economical. I welcome your suggestions as to how we can help the Board do this.

Next, a practical suggestion. I would like to suggest that there be a common telephone extension available if you want to talk to one of the Patent Administrators. In one of the cases I am handling, the judge has said, "I do not want to hear any ex parte phone calls. If you want to talk, do it by conference call. If you want to have a conference call, call one of the
Administrators."

That is fine, but when I call the Administrators, the Administrators are busy people, it takes awhile to get a return phone call. If there was one number assigned that some Administrator was responsible for answering and returning my phone call, I could get a phone call back the same day and we could get our conference call set up the same day rather than taking three days to set up a conference call that is probably going to take five minutes.

The Interference Committee is meeting tomorrow afternoon at 4:00 p.m. in the McLean Room on the second floor of the Marriott and you are welcome to continue this discussion to the extent that anybody would care to. You are all welcome to come.

Finally I ask you again, what can we do to help you help the situation with interferences. Thank you.

MR. PERRY: Are there some more comments on any of the proposals or preliminary comments that have been made by the Board or on the scheduling of interferences? Your name?

FIRST MEMBER OF THE AUDIENCE: There is a common theme that it would be nice if we could settle these matters more easily, but that perhaps there is a misunderstanding that it is just our clients who get in the way because there are other issues that we should resolve. Sometimes our clients are quite happy and want to get rid of an interference, but there are some things that get
in the way.

The first of these is the estoppel issue. We have heard
comments on that. Another of these, though, is that the parties
sometimes agree that we need a three-count interference, not a
one count interference, and we have five other applications
pending that need to be brought in, and we need to resolve all
five applications and all three counts. The problem is that this
can waylay that settlement that we all arrived at.

I would suggest that if there is some way, either by not
needing to bring all of them in or by getting such motions
resolved quickly or perhaps consent being allowed and simply a
rubber stamp, that it would be very helpful.

SECOND MEMBER OF THE AUDIENCE: I think what I heard here is
what I get from clients on every interference. Why is not there
some stage motion perhaps. Why do I have to spend money on
fifteen contingent motions because you think maybe the count
should be different in one of two ways, and then all the other
motions have to be redone three times because of all of that.

That is what we get over and over.

I just got motions in an interference. Twenty-five motions,
ten of which are contingent, depending on what happens with some
of the other motions. We spent a lot money on that. Two out of
six were contingent on our side and the clients should not have
to pay for that. There is just no reason for that.
MR. PERRY: Anybody else?

THIRD MEMBER OF THE AUDIENCE: I just want to comment on Ray Green's paper. That sounds like a very good idea so you can avoid a lot of the wasted time and motion. One constraint, though, is getting rid of interference estoppel. I do not know that the Commissioner has the authority to do that because there is a lot of law behind that. Any comments on that issue? Would that require a statutory fix?

MR. GREEN: The interference estoppel that I want to get rid of is what is written into the rule that says the interference decides everything that could have been decided by motion, even though it was not decided. That means that you have to scour and look for all the possible motions that you can find, or you are never going to be able to raise them again in the Patent Office. That is not in the statute, that is in the rules.

THIRD MEMBER OF THE AUDIENCE: How about common disclosure? Common disclosure in the case law says that even if there are two junior parties in the interference, and it is common only to those two, you cannot present a claim that claims that common disclosure. That is what I am concerned about specifically.

FOURTH MEMBER OF THE AUDIENCE: Fourteen days seems like an awfully short period of time. You have fourteen days to request your files after the declaration of interference, to request the other side's application files, and that is it, you can never
have a shot of getting those files again?

JUDGE McKELVEY: No, you can order them again. Whatever time period we set, if you do not order them within that time period, whatever it happens to be, taking into account what Frank Paintin was saying, you will be able to order them, but that is not going to be grounds for holding up the interference.

FOURTH MEMBER OF THE AUDIENCE: Oh, all right.

MR. ROWE: I would like to add that the key to what Judge McKelvey and I were discussing was that all of the files will be on his desk, and then they will come over together for copying with the order, but once that order is filled and the file goes back to him, they are "alive and loose" again, so there is no guarantee how long it would take to fill an order that you put in a month, two months later, saying "I want another copy" because it is moving at that point.

Again, the whole purpose of this is to, in effect, freeze those files, get them all made before people get a chance to come in and take them individually and we have lost the package.

FIFTH MEMBER OF THE AUDIENCE: Would a possible solution be to make an extra copy once it gets to your office? Then if someone wants to get a later copy you have a copy.

MR. ROWE: We make a "library copy" that we keep for a period of three to six months, but most often people ask, "Has anything else been filed, is there another paper, has anything
else been added?" So it is a two-edged sword having a library
copy. Sometimes you have to go back and verify if anything
changed, has anything else been entered.

JUDGE McKELVEY: I might add to that, there is a space
problem with just having extra files. In fact, part of our order
will be that we really do not want evidence filed with motions.
When the time comes for deciding preliminary motions, we will ask
for three copies. Also at final hearing. So we do not have to
store these or risk losing them.

SIXTH MEMBER OF THE AUDIENCE: How do you want to handle the
references we invariably find when we start looking for prior
art? To find these references, we are going to have to cite them
in our applications eventually. Do you mind if we submit them in
the application file without filing a motion during interference?
The problem is, after three or four years, you might forget to do
that when the file goes back to ex parte prosecution.

JUDGE McKELVEY: I think that is pretty easy. You can file
it in the application file, but I am not going to look at it
unless somebody tells me what it is I have to look at.

SIXTH MEMBER OF THE AUDIENCE: That is fine. Is that a
general consensus?

JUDGE McKELVEY: But if you do that, you have to serve the
other party once that application is in interference. I am sure
if there is something good in there, they will call it to my
SEVENTH MEMBER OF THE AUDIENCE: Is there any uniform policy about giving time for settlement discussions if parties are in good faith negotiations, whether or not whatever state you are in will be stayed, and for how long is reasonable?

JUDGE McKELVEY: Yes, we have a fairly uniform policy about that, as a matter of fact. There are two schools of thought on that matter that I experienced in my time as Solicitor. One of them is the District of Columbia view--let everything sit around and eventually it will get decided. It works.

Then there is Judge Bryan's view--the trial is on Tuesday, you can bring me a settlement agreement or be ready to try the case. My experience is that the Judge Bryan view precipitates settlements a whole lot faster and moves matters along, especially when counsel know. That is not to say you cannot call, but this general notion that you are going to settle whenever you get around to it just tends to take a whole lot of time.

If you have a good reason, you should make a call to us, but the general rule is file your paper or settle the case. Or I should maybe state it the other way around: If you settle the case, you do not need to file your paper.

These are two schools of thought. They both work. I have seen them work. One is more efficient.
SEVENTH MEMBER OF THE AUDIENCE: One also has the effect of stifling settlement. I have clients in different countries and if you settle and file a paper, it creates a public record of a lot of things that you would just as soon get settled. Sometimes it just takes time, corporations need time to get decisions.

JUDGE McKELVEY: I understand that, but sometimes, if it is in the order and you can show the order to the client right up front, it tends to help. I think it is when the policy is not announced that it complicates life with the clients, but if you see it right up there in the front end of things, in the last two years, I have not had a single case where anybody asked me for an extension to settle a case. Not a single one. So maybe they have different clients.

EIGHT MEMBER OF THE AUDIENCE: In many biotech cases we have received requests at the initial stage asking for explanations on the invention in lay terms. Is this policy going to be continued?

JUDGE McKELVEY: In my case it will. I understand English and Spanish. I do not understand "biotech-ese."

EIGHT MEMBER OF THE AUDIENCE: Well, part of the problem I have had is sometimes you get an explanation of what the invention is and sometimes it goes all the way back to Watson and Crick. Very elementary stuff, it does not really help anybody.

JUDGE McKELVEY: Well, my explanation is you are not allowed
to use any word like "encodes," you say "makes," and things of that kind. I have received excellent papers, excellent, and they are only ten pages long, and they have been very helpful. I have not sensed any problem. I think people should know that I am not going to hold somebody's feet to the fire on that paper. These have to be recognized to be over-simplified statements that, once you get into the merits of something, maybe are not quite a hundred percent accurate. As soon as the opponent comes back and says, "yeah, but in that brief paper, so and so said this," I am going to say, "yeah, he did, but so what? That was just to educate me. What is your next argument."

I mean it has to be that way or people will be reluctant to do this because it is necessarily over-simplified. If you look in the Commissioner's brief in In re Vaeck, [947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991)], this took place.

There needs to be some humor here. There has not been any humor today.

(Laughter.)

In re Vaeck was a biotech case where an A is hooked onto a B is hooked onto a C. That is for your benefit, Jerry, and mine. Administrative Patent Judge Teddy Gron, who is very savvy in these matters, wrote a brief for me when I was Solicitor and he was an Associate Solicitor. It came in for review and I said, "My gosh, this is not in Spanish or English," and I said, "I want
a summary in here that is in plain English, and I do not want any biotech words. None." He did a fairly good job of writing it up, of course, and for whatever reasons, I decided to argue this case. I was very worried that Judge Rich would be on the panel. So in this over-simplified statement that we put in our brief, we said "It is like a road map to get from Washington to Richmond without all the speed limits and the stop signs and all this, that, and the other."

Well, don't you know, I get over to the court and guess who is the presiding judge. I started in, using the As and the Bs and the whatever and Judge Rich said, "Isn't that over-simplified?" I had told my troops that this would happen. So I went to section two of the brief and started talking about encodes and vectors and this and that and the other, whereupon he finally said, "I am having a hard time understanding this." I thought, "Gotcha, Judge."

Judges Archer and Mayer were also on the panel. They both chimed up that they would like to see this in the brief from now on. I always thought that was nice, Judge Rich got overruled two to one, right there on the bench. It was oversimplified--Judge Rich was right to make the point--but it helped.

NINTH MEMBER OF THE AUDIENCE: I wanted to suggest, in light of the comments on not holding a party to what they say in that lay explanation, you may want to consider not making it of record
in part of the interference file at all.

JUDGE McKELVEY: That is a good point.

TENTH MEMBER OF THE AUDIENCE: You might also consider, in
the order requesting it, stating that the party cannot use it for
that purpose and then you have it right on the paper and people
will not be tempted to try to use it.

NINTH MEMBER OF THE AUDIENCE: How soon can we expect to see
the implementation of the new procedures?

JUDGE STONER: As far as interferences being declared,
immediately. The interferences declared from now on will be
under this new procedure. Interferences that are already in
progress are in progress, but you should see this in a relatively
short period of time. To be fair to the Trial Section, as I
indicated, there are about sixty on hand. My expectation and
their expectation is that it will probably take through the end
of this calendar year and just into the start of the next
calendar year until that group of cases is cleared out, but you
should be expecting to see those really soon.

COMMISSIONER DICKINSON: I might mention one other thing
that affects, somewhat indirectly, but does affect this whole
matter we are talking about today. A large part of the challenge
for the Board in how they expedite both ex parte cases and
interference cases is the product they are given to work with
from the examining corps.
One thing I would like us to do and I am pretty sure we are going to move towards it, is establish basically a working group between the senior management of the Patent Corps and the senior members of the Board, to come together on a regular basis and try to figure out strategies for getting a product that the Board can use more efficiently and effectively: files that are in good order; expedited handling, if necessary. This black hole problem concerns me a lot, to make sure we are not down that black hole. I think a large part of that is that some of these problems can be addressed early on in just that sort of interface between the Corps and the Board.

Also, we are mindful of trends that might occur in the interference practice, and they worry us a little bit, with foreign priority now allowed, and foreign evidence coming in, that I think can materially affect how we do our job.

It has been brought to our attention, and we were aware of it, the fact that it is likely that we will see more interferences fought out, particularly in the biotech areas. We have gene sequence cases. We maybe even see an increase of interferences declared, but perhaps more than likely the number of declared interferences may stay roughly the same, but more may be fought. We have to take that into account in our planning.

Interferences are, as someone suggested, a necessary evil of the first-to-invent system. As long as we have that first-to-
invent system, we cannot convince the opponents of that, that the necessary evil is indeed an evil and hopefully unnecessary some day. We will try to do our best to make the system work as well as we can.

MR. PERRY: I am sure this is going to continue tomorrow at the interference meeting. For now, I would like to thank the panel for their time and all their efforts.

(Whereupon, the Interference Roundtable concluded at 4:30 p.m.)

*******