Board of Patent Appeals and Interferences – Answers to Frequently Asked Questions

In May 2001, the Interference Committee of the American Intellectual Property Law Association submitted a set of questions to the Chief Administrative Patent Judge of the Board of Patent Appeals and Interferences. Since the questions are deemed to be of general interest, the issues submitted have been recast in a "frequently asked question" format for general distribution. Several multi-part questions have been divided into their component questions for ease of presentation.

Question 1

What is the effect of Trial Section binding precedent on the rest of the Board and the rest of the United States Patent and Trademark Office?

Answer to Question 1

A decision supported by an opinion that is determined by the Trial Section to be binding precedent of the Trial Section normally will contain the following caption at the top of the first page of the opinion:

> The opinion in support of the decision being entered today is binding precedent of the Interference Trial Section of the Board of Patent Appeals and Interferences. The opinion is otherwise ***not*** binding precedent of the Board.

The significance of the caption is that the opinion has been read and agreed to by all eight administrative patent judges assigned to the Trial Section and is precedent which all eight will apply in interferences which come before them, as individual judges or as members of panels assigned to handle a particular interference.

As of June 1, 2001, sixty-one administrative patent judges are members of the Board of Patent Appeals and Interferences.[1] In *ex parte* matters, the judges decide matters almost exclusively in panels of three judges. In interference matters, non-final orders may be entered by a single judge or, at the election of the single judge in panels of two or more judges (37 CFR § 1.610(b)). Presently, most decisions on preliminary and other significant motions entered by judges assigned to the Trial Section are entered by a panel of at least three judges, unless an important issue is deemed to be presented, in which case the decision may be entered by a panel consisting of all eight judges assigned to the Trial Section. A three-judge decision entered in the Trial Section governs further proceedings in the interference.

[1] The Director (formerly Commissioner of Patents and Trademarks), the Commissioner for Patents (formerly Assistant Commissioner for Patents) and the Commissioner for Trademarks (formerly Assistant Commissioner for Trademarks) are also members of the board, but rarely participate in deciding cases.

It is not practical for the board to enter a decision *en banc*. Nor is it practical to circulate each opinion to be entered by a single judge or a panel to all sixty-one judges for comment.

Precedent adopted as binding precedent by the Trial Section is not binding on non-Trial Section judges, but neither are ordinary decisions entered by panels consisting of other judges in other *ex parte* or interference cases. With few exceptions, all interferences declared since October 1, 1998, have been declared by the Trial Section and all non-final orders entered in those interferences generally have been entered by judges assigned to the Trial Section. Furthermore, and perhaps more important, opinions that are determined by the Trial Section to be binding precedent of the Trial Section generally involve procedural issues applicable only in Trial Section proceedings. The benefit of binding precedent, particularly precedent involving procedural issues or interpreting interference rules, is that it can be published thereby notifying the bar of current practice before the Trial Section. The bar can then expect that similar issues in other interferences will be handled by the Trial Section in a similar fashion. The notion of having binding precedent of the Trial Section is believed to be consistent with one of the objectives for creating a Trial Section, namely, a pre-Trial Section observation from the bar that individual judges handled interferences in different ways.

Finally, to the extent that a judge disagrees with an decision entered by any other judge or by a panel, including a decision entered by judges assigned to the Trial Section, the board has a mechanism (Standard Operating Procedure 2, rev. 4) whereby the judge may notify the Chief Administrative Patent Judge of the disagreement and a panel of 11 judges, including the Chief Administrative Patent Judge, may be designated to settle the disagreement.

Question 2

Is the USPTO making effective use of its "PALM" docketing system to uncover proposed interferences that are sitting in the group? "Submarine" interferences are as publicly harmful (if not more so) than all other "submarine" patent applications having long delayed prosecutions.

Answer to Question 2

Questions regarding the USPTO’s use of the PALM system are best directed to the Office of the Commissioner for Patents.

The following observations may be useful to the bar.

First, before an interference is declared, there is a meeting between individuals in the relevant Technology Center (Interference Practice Specialists) and at least one administrative patent judge to determine whether there is an interference and, if so, what documentation might be necessary (e.g., a PTO Form 850 or a statement similar to the statement required by former

37 CFR § 1.609(b)). Experience shows that the meeting helps to expedite declaration of interferences or a decision that an interference is not appropriate.

Second, it is appropriate for a practitioner, after contacting an examiner and the examiner's supervisor (SPE), to contact a Group Director to report inaction on a request for an interference filed in connection with a particular patent application.

Third, individual applicants and patentees are able to track the whereabouts of their own applications and patents through the use of the Patent Application Information Retrieval or PAIR system which may be accessed at the following site: http://pair.uspto.gov/cgi-bin/final/home.pl.

Question 3, Part 1

What is the Board policy on two-way unpatentability for declaration of interferences? The Official Gazette notice published January 16, 2001,[2] says the standard is that *Winter v. Fujita*, 53 USPQ2d 1234 (Bd. Pat. App. & Int. 1999), *reconsideration denied*, 53 USPQ2d 1478 (Bd. Pat. App. & Int. 2000), but *Winter* says that patentability or unpatentability in both directions must be "considered," not that there must be two-way unpatentability in all cases.

Answer to Question 3, Part 1

The notice and the *Winter* decision speak for themselves. Although *Winter* leaves open the possibility of an interference being declared (or continued) where only one-way unpatentability has been shown, as a practical matter it is not clear when an exception could or should be made to the two-way test. Since that very question was the subject of extensive comments in response to the notice, any change in policy is best left to any follow up notice on the topic. For the purposes of clarification, however, some considerations relevant to the remaining questions is offered below.

Question 3, Part 2

If, for example, there is an issued patent with a generic claim, and an applicant claims a species within the claimed genus, but the species claim is believed to be patentable over the generic claim, can the applicant have an interference declared in order to invalidate the dominant patented generic claim?

Answer to Question 3, Part 2

In the situation described, an interference does not appear to be necessary, unless two conditions exists: (1) the applicant's species renders the patent's genus unpatentable and (2) the

[2] Notice and request for comments, Standard for Declaring a Patent Interference, 65 Fed. Reg. 79809 (Dec. 20, 2000), *reprinted in* 1242 Off. Gaz. Pat. & Tm. Office 113 (Jan. 16, 2001).

patent’s genus renders the applicant's species unpatentable, in which case there is an interference-in-fact.

The question does not indicate who is the senior party. If it is assumed that the applicant is the junior party, and the applicant's species is patentably distinct from the patent’s genus, then a patent lawfully may be issued to the applicant.

The question suggests a belief that there is a right before the USPTO "to invalidate the dominant patented generic claim." An applicant receives all the relief to which it is entitled under the Patent Law when a patent is issued containing claims that it requests in its application. There is no "right" under the Patent Law "to invalidate" another's patent as part of the process of filing a patent application and obtaining a patent thereon. *Accord Ewing v. Fowler Car Co.*, 244 U.S. 1, 10-11 (1917) (explicitly rejecting the assertion of an applicant's right to an interference). The applicant and its real party in interest, if any, have a remedy by way of a defense of invalidity under 35 U.S.C. § 102(g) in the event a civil action alleging infringement is filed against the applicant or its real party in interest. An interference is a proceeding designed to assist the Director, acting through a patent examiner, in a determination of whether a patent should issue to an applicant, not whether a patent should be cancelled--albeit cancellation of a patent is a consequence of a patentee losing an application versus patent interference. If the applicant's species is patentable over the prior art genus, there would be no basis for rejecting the applicant's claims and an interference would not be necessary to assist the Director, acting through an examiner, in determining whether to issue a patent to the applicant.

The result is not different if it is assumed that the applicant is the senior party. A junior party patent claiming a genus facially would not be prior art as to the applicant. Accordingly, there is no basis for declining to issue a patent to the applicant. As in the case where the applicant is the junior party, the applicant has no "right" as part of the examination process "to invalidate" the patent claiming the genus. There are, however, remedies available to the applicant.

First, after its patent issues, the applicant (now patentee) can request the Director to reexamine the patent on the basis of its newly issued patent to the species. If during the course of the reexamination, it turns out that an interference may be necessary, an application to reissue the patent being reexamined may be filed and the Director, at that time, can determine whether an interference should be declared. Some have said that reexamination is not a realistic remedy because of its *ex parte* nature. It is important to remember that an interference under 35 U.S.C. § 135(a) is not a pre-grant opposition or a post-grant cancellation. At this time, the sole statutory means for seeking cancellation of the claims of a patent before the USPTO is through a reexamination proceeding.

Second, in the event of a civil action against the applicant and its real party in interest, a defense may be asserted that the patent to the genus is unpatentable over the applicant's patent to the species.

Question 3, Part 3

In provoking such interferences, does it matter if the applicant is junior or senior in filing date, or by how much?

Answer to Question 3, Part 3

As noted in the Answer to Question 3, Part 2, there is no apparent reason why it should matter whether the applicant is junior party or senior party, or by how much.

Question 3, Part 4

If not, does the applicant need to establish patentability over the issued patent, get his own patent issued, and then request reexamination of the earlier-issued generic patent?

Answer to Question 3, Part 4

Yes.

Question 3, Part 5

If reexamination is ordered and the earlier-issued patentee with a generic claim establishes, say through a Rule 131 antedating effort, that its generic invention was made before the filing date of the later-issued species patent, would an interference be declared to permit the owner of the later-issued species patent to establish priority?

Answer to Question 3, Part 5

Under 35 U.S.C. §§ 301-318, the only prior art that may be considered in a reexamination consists of patents and printed publications. It is not apparent how the patentee of the later-issued species would be permitted, in a reexamination, to establish priority. Moreover, the USPTO does not have authority to declare an interference between two patents.

Question 3, Part 6

Is the presentation of a narrow claim for purpose of interference with a broad claim construed as an admission that the narrow claim is unpatentable over the broad claim? (Is it essential that an applicant have a claim designated as corresponding to the count, or would presentation of a narrow claim within the scope of an issued claim, but which is asserted to be patentable over the count, suffice?)

Answer to Question 3, Part 6

Under present practice, each party in an interference must have at least one claim designated as corresponding to each count in the interference. Hence, if there is one count, each party must have a least one claim corresponding to the count.

Ordinarily, if an applicant presents a species claim and maintains that it interferes with a patentee's generic claim, the applicant will have to establish two-way unpatentability before an interference will be declared. If the applicant is unwilling to concede that a genus renders its species unpatentable (i.e., asserts that its species is patentable over the genus), and if the examiner agrees, there is no impediment to issuing a patent to the applicant on its species. An interference is not necessary.

If there is to be an interference between the species and the genus, the applicant, of course, would like a count limited to the species. The patentee, on the other hand, would like a count to the genus so that it can take advantage of more evidence on the issue of priority. To date, those who have commented on the two-way patentability standard have not provided a satisfactory answer to the question of what the scope of the count should be in such cases.

Question 3, Part 7

If the presentation of a narrow claim for purpose of interference with a broad claim is construed as an admission that the narrow claim is unpatentable over the broad claim, is the admission rebuttable or conclusive?

Answer to Question 3, Part 7

The answer to the question is best resolved in a live case where the question is presented.

Question 4

A recent rule change eliminated the following language from 37 CFR § 1.606:

> At the time an interference is initially declared ... a count shall not be narrower in scope than any application claim that is patentable over the prior art and designated as corresponding to the count or any patent claim that is designated as corresponding to the count,

A party presenting a claim that is broader than the count might only be able to establish an earlier date of invention for a species of the invention that is within his broad claims, but outside the scope of the count. (I.e., "A" invents a broad claim before "B" invents a narrow claim totally within the scope of A's broad claim, but B invents the narrow claim before A invents the narrow claim. If the count is B's narrow claim, then A loses his broad claim that he was first to invent.

If the count is A's broad claim, A would not lose the broad claim that A was first to invent.) Why was the part of Rule 606 quoted above removed, anyway? Why is a party to an interference not automatically allowed to prove priority for any claim designated as corresponding to the count, in order to establish priority with respect to the count? What is the standard for allowing a party to do so?

Answer to Question 4

Rule 606 was amended on October 20, 2000.[3] The notice amending Rule 606 observes that "[t]he USPTO is amending 37 CFR §§ *** 1.606 *** because the requirements being eliminated presented obstacles to the efficient declaration of interferences without corresponding benefits. Also eliminated was a requirement of Rule 609(b) that an examiner present an explanation as to why each claim should correspond or not correspond to each count.

As a general proposition, a count should be limited to a single patentable invention. The claims that are designated as corresponding to the count should also cover the single patentable invention, although the claim may also cover a different patentable invention. To the extent a party loses on the issue of priority, its claims that cover the single patentable invention (presumably having been designated as corresponding to the count) become unpatentable to that party. The party may well be entitled to a patent containing a narrower claim limited to the different patentable invention.

In 1984, when the new interferences rules were promulgated, it was believed, particularly in the case of a patent, that a count should not be narrower than the broadest patent claim designated as corresponding to the count. In other words, a procedural presumption was created in the rules that any single patent claim defines a single patentable invention. The presumption could be overcome through a preliminary motion to narrow the count. The moving party seeking to narrow the count had the burden of proof to establish that a count (and therefore a patent claim) covered two patentable inventions and that the count should be narrowed to a single patentable invention.

The board's experience has established that the presumption thought to be appropriate in 1984 is not viable today. All one need do is consult chemical compound patents containing claims to multiple compounds to understand that the USPTO properly issues patents containing claims which cover separate patentable inventions. In an *ex parte* context, there is nothing inappropriate or questionable about issuing a claim that covers more than one patentable invention. There is, however, something inappropriate or questionable about permitting one party to defeat another party on the basis of priority proofs to an invention which is patentably

[3] Interim rule with request for comments, Simplification of Certain Requirements in Patent Interference Practice, 65 Fed. Reg. 56792 (Sept. 20, 2000).

distinct from the invention claimed by an opponent. *Cf. Godtfredsen v. Banner*, 598 F.2d 589, 592, 202 USPQ 7, 10 (CCPA 1979).[4]

The change in Rule 606 boils down to a question of who should have the burden of proof with respect to an attempt to change a count. Consider the case where claim 1 of a patent covers patentably distinct inventions A and B and claim 1 of an application covers only invention A. Under Rule 606 prior to its amendment, the count would have covered both inventions A and B. If the applicant sought to limit the count to invention A, then the applicant would have been under a burden to establish that invention B (the invention being taken out) is patentably distinct from invention A). That is, the applicant would have been under a "negative" burden of proof, needing to prove that something is not true. It is difficult to cite and apply prior art to establish that two inventions are patentably distinct.

After the change to Rule 606, the interference can be declared with a count limited to invention A. Claim 1 of the patent and claim 1 of the application would be designated as corresponding to the count. If the applicant wins on the issue of priority, the patentee is not entitled to claim 1 because it covers invention A even though it also covers invention B. If the patentee believes that the count should be changed to cover inventions A and B, the patentee is in a position to cite prior art which when combined with invention A (which would be presumed to be prior art) would render obvious invention B. The patentee, unlike the applicant prior to the amendment to Rule 606, is under a "positive" burden of proof, i.e., to prove that something is true. Since it is often impossible to adequately sustain a negative burden of proof, it is generally faster, fairer, and more cost-effective to place the initial burden on the party able to present positive proofs.

The change in Rule 606 now permits an interference to be declared on the basis of a count directed to common subject matter, leaving it to a party to file a preliminary motion to broaden the count having a "positive" as opposed to a "negative" burden of proof.

A party is "not automatically allowed to prove priority" with proofs within the scope of its broad claim for the reasons quoted in the *Godtfredsen* case, *supra*.

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[4] Quoting the Commissioner, who said:

> Where, as here, the parties both disclose the same three species, that fact does not justify including those species in a single count as members of a Markush group if the Examiner has determined that the three species are patentably distinct inventions. If such a count were permitted, then the party who proved the earliest date of invention as to any one of the members of the group would be awarded priority as to the entire count, i.e., as to all three members. It is not considered that such a result would be consonant with the primary purpose of an interference or with the intent of 35 U.S.C. 135, since there would be no determination of priority as to *each* of the common [patentably distinct] inventions claimed by the parties [emphasis in original].

Question 5

What is the duty of a patentee who is involved in an interference to advise the APJ and his interference opponent of prior art or other circumstances relevant to patentability of the patentee's claims, that may have come to his attention after the patent issued? Does a new USPTO Director have to be appointed before any further action is taken on this question?

Answer to Question 5

Unless an order is entered in a particular interference there currently is no regulation which requires a patentee in an interference to advise the board or its opponent of prior art falling within the scope of Rule 56.

The board is currently in the process of drafting revisions to the interference rule. An individual with views on whether the provisions of Rule 56, or similar provisions, should apply to patentees in an interference, may submit those views to Administrative Patent Judge Richard Torczon by letter or to his e-mail address:

richard.torczon@uspto.gov

Question 6

Do you have any idea when a new USPTO Director/Commissioner of Patents and Trademarks will take be appointed?

Answer to Question 6

On May 24, 2001, the President nominated James E. Rogan to be Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office. As of this writing, confirmation is pending before the United States Senate.

Question 7, Part 1

Is any progress being made on any of the "black hole" problems -

(a) the prompt declaration of interferences for which files have been forwarded to the Board,

(b) getting examiners to forward files to the Board for declaration of interferences (in proper cases), and

(c) getting examiners to act on post-interference applications?

Answers to Question 7, Part 1

Upon receipt of files forwarded to the board for consideration of whether an interference should be declared, the Trial Section takes the following action. If the files are not in order (e.g., a file is missing or paperwork required to be completed has not been completed), then within seven (7) days the Trial Section will return the files to the examiner for appropriate action and the attorneys for all parties are notified by the Trial Section that the papers have been returned. The Trial Section does not set a time for an examiner to take appropriate action. If the files are in order, the Trial Section will declare an interference within thirty (30) days of receipt of the files.

As noted earlier, if a party has requested an interference and, in the opinion of the applicant, timely action has not taken place respect to the request, the applicant should contact the examiner. If there is still no timely action, the applicant should contact the examiner's supervisor, i.e., the examiner's SPE. If there is still no timely action, it is appropriate to contact the Group Director in the Technology Center.

Following entry of a final decision in an interference an examiner takes up an application for such further action as may be appropriate. If, in the opinion of an applicant, the action is not deemed timely, or no action is taking place, the applicant should contact the examiner's supervisor, etc.

Question 7, Part 2

Does an examiner receive credit for work on a post-interference application?

Answer to Question 7, Part 2

Examiner credits are administered by the patent examining operation, so detailed questions about examiner credits should be directed there.

Question 7, Part 3

Since the appointments of interference practice specialists in the Technology Centers change over time, can lists of current interference specialists for the various technical centers be published from time to time in the Official Gazette, or on the USPTO web site?

Answer to Question 7, Part 3

Yes. Please see http://www.uspto.gov/web/offices/dcom/bpai/IPS-list.htm.

Question 8, Part 1

What are the current time-lags for decisions in *ex parte* appeals in ordinary applications, and in reexaminations?

Answer to Question 8, Part 1

All appeals in reexamination proceedings are handled as "special" cases at the Board. That is, they are reviewed and docketed ahead of other appeals and are marked as special on the docket listings sent monthly to each APJ. The most recent reports indicate that there are presently seventeen appeals in reexamination proceedings at the Board awaiting decision.

With regard to *ex parte* appeals generally, the answer depends, in part, on whether the subject matter of the involved application is from the mechanical, electrical, chemical or biotechnology Technology Centers. The board is most current for cases coming from the mechanical areas (TCs 3600 and 3700) and least current in the chemical area (TC 1700) and biotechnology area (TC 1600), although rapid strides are being made on biotechnology appeals. As of the beginning of June 2001, the great majority of chemical appeals now at the board arrived at the board in FY 1998 or later. As of the beginning of June 2001, the great majority of biotechnology appeals (TC 1600) , and electrical appeals (TCs 2100, 2600 and 2800) now at the board arrived at the board in FY 1999 or later. The great majority of mechanical appeals now at the board arrived at the board in FY 2000 or later. Design appeals, like reexamination proceedings, are docketed ahead of ordinary appeals. There are presently 31 design appeals pending at the board.

It is expected that the board will decide about 5000 appeals in FY 2001 and receive 3500 to 4000 new appeals in FY 2001. By the end of FY 2001, it is expected that the board will have an undecided inventory of around 5000 new appeals, roughly the number the board is capable of deciding in a single year.

Question 8, Part 2

Is this information published periodically in the Official Gazette or on the USPTO web site, so that appeal attorneys can advise their clients about when to expect a decision in an appealed application? If not, could it be?

Answer to Question 8, Part 2

Ex parte appeal statistics are published monthly in the Official Gazette. Additionally, the same statistics appear on the USPTO website and can be retrieved by clicking on the "Board Statistics" text at the following address:

http://www.uspto.gov/web/offices/dcom/bpai/index.html.

Question 8, Part 3

Do reexaminations move to the head of the line when they arrive at the Board for *ex parte* appeals, or are all appeals "special" so that reexaminations take their turn like other appeals?

Answer to Question 8, Part 3

Appeals involving reexamination and reissue applications are considered "special" at the board and are taken up ahead of other appeals before the board.

Question 9, Part 1

When an ex parte appeal is remanded to the examiner for further consideration of some item, before the Board acts on the appeal, does the Board check periodically to see if the examiner has acted on the case?

Answer to Question 9, Part 1

No. The board does not exercise supervisory authority over examiners. If, in the opinion of an applicant, action on a remand is not deemed timely, or if no action is taking place, then the applicant should contact the examiner and the examiner's supervisor, etc.

Question 9, Part 2

Is the applicant notified when an application is remanded prior to consideration of an appeal?

Answer to Question 9, Part 2

Yes. When an application is remanded to an examiner, the board enters a remand order and that order is mailed to the applicant.

Question 9, Part 3

What mechanism prevents remanded cases from falling into an "*ex parte* black hole"?

Answer to Question 9, Part 3

The board mails a copy of its remand order to applicant.

Question 10, Part 1

What is the scope and purpose of the "observations on cross-examination" that must be filed concurrently with motions to suppress evidence?

Answer to Question 10, Part 1

First, there is no requirement that any comment be filed.

Second, while it should be unusual, it is possible that a party may rely on a witness in filing a reply to an opposition to a preliminary motion. The opponent has a right to cross-examine the witness. Accordingly, the Trial Section authorizes the opponent to file a paper making such observations with respect to cross-examination as may be appropriate. The party relying on the witness may then respond to the opponent's observations. Absent observations and a response, the board would have no guidance on what weight to give cross-examination.

Question 10, Part 2

What happens if the observations exceed the intended scope (are they ignored)?

Answer to Question 10, Part 2

Observations and responses to observations obviously should not raise new issues. If a party believes that an observation or a reply to an observation is not appropriate or exceeds the intended scope, the party should arrange for an inter partes conference call with the administrative patent judge handling the interference and a decision will be made on a case-by-case basis as to what, if anything, should take place.