



THE NEW YORK PATENT, TRADEMARK AND  
COPYRIGHT LAW ASSOCIATION

# NYPTC BULLETIN

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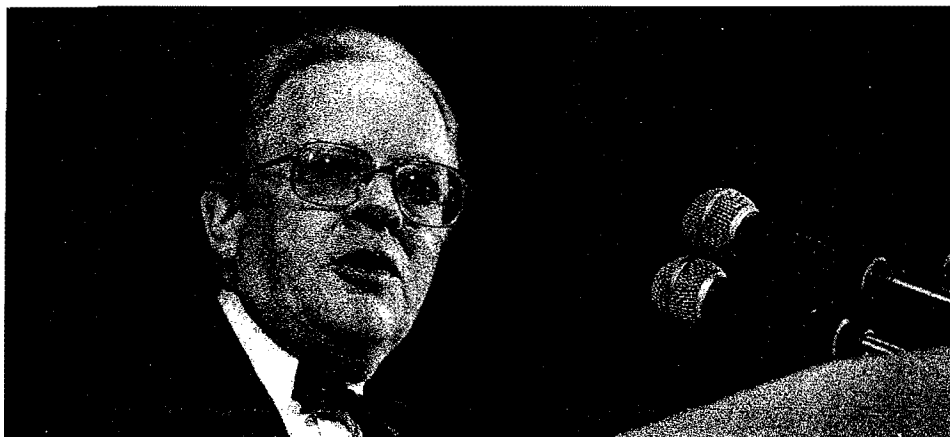
NUMBER 5

## Record Attendance at NYPTC Judge's Dinner

The Annual Dinner honoring the Federal Judiciary held on March 29 set a new record with 1,700 members and guests in attendance. This year's dinner was attended by six circuit judges, twenty-five district court judges, five judges from the U.S. Court of International Trade and the U.S. Claims Court, twenty-three state judges, nine federal magistrates, six judicial clerks and administrators and eighteen representatives from bar associations.

Following the dinner and introduction

of the honored guests by Lee Robinson, Hon. William Huges Mulligan, formerly of the U.S. Court of Appeals for the Second Circuit, offered a most entertaining after dinner speech. Judge Mulligan reflected on the various stages of his career as a law school professor and dean, circuit court judge and private practitioner. His anecdotes about the changing attitudes of law students and the varying levels of "respect" he has experienced in his different roles were enjoyed by all.



*Lee Robinson introducing the honored guests attending the Judges Dinner*



*Judge Mulligan delivers his after dinner speech*

## Second Annual Foot Race

Jog over to the Second Annual NYPTC foot race in Central Park at 7:00 p.m. on Tuesday, August 6, 1985.

This is a team competition (5 men, 3 women or 2 + 2 coed), under the sponsorship of the Manufacturers Hanover Corporate Challenge. NYPTC teams will compete for the Mannie Hannie prizes and for NYPTC trophies for the 3 team categories, best man, best woman and masters (over 40).

Entry forms and details on registering can be obtained by calling 860-4455 (ask for Corporate Challenge Office) or writing on letterhead to:

Manufacturers Hanover  
Corporate Challenge  
c/o New York Road Runners Club  
9 East 89th Street  
New York, New York 10128

**DON'T DELAY.** The completed applications must be received (not mailed) by the Road Runners Club between July 17 and July 26, 1985.

Also, please notify Jim Gould at (212) 758-4800 so that a NYPTC team roster can be made.

Some NYPTC teams will be informally entering the June 19 race also as a "tune-up". If there is enough interest, perhaps an unofficial NYPTC party can be arranged.

## Rene Tegtmeyer Addresses Joint Dinner Meeting

On April 2, 1985, Assistant Commissioner for Patent, Rene D. Tegtmeyer, addressed a joint dinner meeting of the New York Patent, Trademark and Copyright Law Association, the Connecticut Patent Law Association and the Westchester-Fairfield

Corporate Counsel Association at the Showboat Inn in Greenwich, Connecticut. Assistant Commissioner Tegtmeier's talk was directed to an explanation of the new Rules established by the PTO in implementing the recent changes to the Patent Laws as recited in PL 98-622. He identified those changes and the manner in which they were phased in over the past six months.

Mr. Tegtmeier stated that the prior art provisions of 35 U.S.C. § 102 and 103 were amended to encourage communication among members of research teams working in corporations, universities and other organizations. These amendments modified the prior CCPA decisions in *In re Bass*, 177 USPQ 178 (CCPA 1973) and *In re Clemens*, 206 USPQ 289 (CCPA 1980), which held that an earlier invention by an employee of the same organization was treated under 35 U.S.C. 102(g) as prior art to a later invention made by a co-employee who was involved in the first invention.

PL 98-622 amended 35 U.S.C. § 103 so that patentability was not precluded because of subject matter developed by another person if:

- 1) the subject matter qualified as prior art only under 35 U.S.C. § 102(f) or (g); and
- 2) the subject matter and claimed invention were owned by, or subject to an obligation of assignment to, the same person at the time the invention was made.

According to Mr. Tegtmeier, of significance was the amendment to 35 U.S.C. § 116 which provides that inventors may jointly apply for a patent even though each did not make a contribution to the subject matter of every claim of the patent. Under this amendment, a joint application for a patent may be filed even though:

- 1) the inventors did not physically work together or at the same time;
- 2) each inventor did not make the same type or amount of contribution; or
- 3) each inventor did not make a contribution to the subject matter of every claim of the patent.

The 35 U.S.C. § 120 requirement for filing "by the same inventor" was amended to recite "which was filed by an inventor or inventors named in the previously filed application." A later filed application no longer has to name all of same inventors as an earlier application in order to claim the benefit of an earlier filed application under § 120. In order for the later filed application to be entitled to claim the benefit of the earlier filed co-pending application under § 120, the

earlier filed co-pending application must:

- 1) have at least one inventor in with the later filed application; and
- 2) disclose the common inventor's invention in the manner provided by the first paragraph of 35 U.S.C. §112, i.e. fully disclose and support at least one of the common inventor's claims found in the later application.

Regarding the issue of commonly owned applications, Mr. Tegtmeier noted that the Examiner will make no assumptions relative to common ownership and is to consider the applicability of § 102(f)/103 or § 102(g)/103 if one application refers to the other. Applications will be considered by the examiner to be owned by, or subject to an obligation of assignment to, the same person, if:

- 1) the application files refer to assignments recorded in the PTO in accordance with 37 CFR 1.331 which convey the entire rights in the applications to the same person(s) or organizations(s); or
- 2) copies of unrecorded assignments which convey the entire rights in the applications to the same person(s) or organization(s) are filed in each of the applications; or
- 3) an affidavit or declaration by the common owner is filed which states that there is common ownership and explains why the affiant believes there is common owner-

ship; or

- 4) other evidence is submitted which establishes common ownership of the applications in question, e.g., a court decision determining the owner.

Mr. Tegtmeier further stated that a pending application will be permitted to be amended by complying with 37 CFR 1.48 to add claims to inventions by inventors not named when the application was filed, as long as such inventions were disclosed in the applications as filed. 37 CFR 1.48 permits correction of inventorship where the "correct inventor or inventors are not named in an application for patent through error without any deceptive intention on the part of the actual inventor or inventors."

Time constraints cut short Mr. Tegtmeier's talk, however, Mr. Tegtmeier provided extensive handouts directed to the above topics as well as to the following areas:

- The Statutory Invention Registration (SIR);
- Amendments to 35 U.S.C. relating to the PCT; and
- Significant changes from the proposed Rules.

Copies of these handouts may be obtained by writing Mr. Tegtmeier directly in care of the Patent and Trademark Office.

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## Maurice H. Klitzman Examines New Interference Rules and Amendments to 35 U.S.C. 103 and 116

Maurice H. Klitzman spoke to a luncheon meeting of the Association on March 22, 1985 on the subject of the new interference rules. In addition, he reviewed briefly the amendments to 35 U.S.C. §§103 and 116, effective January 8, 1985. Mr. Klitzman began by reassuring his audience that, although there are numerous procedural changes owing to the new interference rules, the substantive law regarding conception, reduction to practice, diligence, and corroboration remains the same. This is not to say, however, that the procedural changes do not impact on the conducted substance of the interference. Nor does it imply that one can ignore the new rules. As Mr. Klitzman notes, a failure to under-

stand and follow the new procedures may be fatal.

A major change occurred in the role of the Primary Examiner. Under the new rules, the Primary Examiner only initiates setting up the interference. When he passes the case to the Interference Group, he designates the claims corresponding to the court. Generally, there will be only one count. The Primary Examiner also designates claims that do not correspond to the count. If the applicant disagrees with the Primary Examiner, he will have to make a preliminary motion later on during the motion period, because if the count is lost, all claims corresponding to the count will be lost. Accordingly, it is very important, if a party disagrees with

what the Examiner does, that a timely motion be made to preserve its rights.

An interference will be declared for those claims that are for the same patentable invention. Claims that are obvious in view of the count will be designated as claims corresponding to the count. Under the old rules, obviousness was not a basis for determining whether there was interfering subject matter. It is now. Accordingly, if there are claims in an application which relate to a separate patentable invention, then it cannot correspond to the count.

The Primary Examiner may suggest a claim for the applicant to copy, a failure to do so being deemed a disclaimer of the subject matter. There is no difference under the new rules in provoking an interference by copying a claim of an issued patent. The Primary Examiner's role in this regard remains the same.

Another very important change concerns control of the interference so that it ends within 24 months. To do this, the Examiner-In-Chief plays a key role during the interlocutory stage, to the demise of the Interlocutory Examiner, as such. Everything will now be handled by the Examiner-In-Chief, who is directed by the new rules to control the interference so that it ends within a 24-month period. Thus, protracted interferences such as the Phillips Petroleum polypropylene interference, which took 23 years to complete, will no longer be permitted. Now, the Interference Examiner's charter will include making sure all parties adhere to the agreed-upon timetable, and extensions of time will be more difficult to obtain.

Another significant change is the formation of a single Board of Patent and Interferences, which is to decide *both* priority and patentability issues. This eliminates instances where an applicant is denied the opportunity by the Primary Examiner to commence an interference, requiring the applicant to proceed with appeals first to the Board and then to the CAFC to have an interference declared, ultimately to find that the Board holds there is no interference in fact. The new rule will prevent such back-and-forth handling of the case.

Once an interference is declared by the Examiner-In-Chief, he will conduct numerous telephone interviews, setting up time schedules and arranging for hearings, although the nature of the hearings is not clear at this time. The hearings, which will be documented by a complete record, will presumably be for the purpose of foreshortening the proceedings. During testimony, the

Examiner-in-Chief will be available to rule on the admissibility of evidence and the production of documents. Oral orders by phone, followed by written orders, may be given by the Examiner-in-Chief to the designated lead attorney.

Under old Rule 204(c), a *prima facie* case of priority had to be made to support a declaration of an interference. Under the new interference rules, it is necessary to make a *prima facie* case that supports *judgment* in a party's favor because both patentability and priority are to be considered in the proceedings (Rule 608). Thus, even though a party may not meet the requirements of priority, it will be able to meet the requirements of *prima facie* judgment if it can attack patentability. If the Patent Office agrees that the claims are not patentable, the claims in the application would be rejected and the applicant could file a request for reexamination of the patent. Because the Board now rules on questions of patentability, assuming there is a basis for the interference grounded on the same patentable invention, the nature of the proceeding that ultimately may arise is analogous to an opposition proceeding. Mr. Klitzman believes that this may be the primary focus of the Board of Appeals and Interferences under the new interference rules.

Because the jurisdiction of the Board is to determine priority and patentability of claims corresponding to the count, both as to applicants and as to patentees, a motion by applicant to dissolve the interference on the grounds of patentability does not foreclose adjudication of the patentability of the patent. Thus, ancillarity no longer exists.

Under the old count practice, if the interference was predicated on pending applications, there was one count unless the other counts were patentably distinct. On the other hand, when claims were copied from a patent, the applicant copied all claims he thought he could make, so that the patentee did not retain a claim that was obvious in view of the lost count. Now, there is generally only one count irrespective of whether a patent is involved. Additional counts must be patentably distinct over that count, which means that subsequent counts must be unobvious over the first count.

The count determines the evidence required to prove priority. This is the same as under the old rules. The difference will be the designation of the claims corresponding to or not corresponding to the count. If an opponent does not put in claims corresponding to the count, then the

party should put in claims corresponding to the count, to ensure that at the conclusion of the proceeding the opponent has not been permitted to retain or obtain claims he should not have gotten. It is still possible to have a phantom count proposed by the Examiner-in-Chief or one of the parties which may not be patentable to either party. The test again is whether interfering claims are for the same invention or are obvious in view of the count.

The purpose of the interference is to resolve all controversies as to all interfering subject matter defined by one or more of the counts. When a party returns to *ex parte* prosecution and claims corresponding to the count were lost, it will not be able to obtain claims that are obvious in view of those lost in the interference. The rules provide that any decision by the Board will be binding on the Examiner and will govern all further proceedings in the Examining Division.

Under the new rules a party is required to identify all applications and patents that are obvious in view of the count or be prevented from raising them later. This creates a problem in the nature of interference estoppel because all pertinent applications and patents will have to be looked at to determine whether they are obvious in view of the count. If they are not brought into the interference, an interference estoppel situation is created. This may present a difficult burden for corporations having a large application docket with many related cases involving different inventive entitles.

The preliminary statement is much the same as under the old rules. However, now a party is required to allege specifically a date of conception and to raise any question of derivation, or be precluded from doing so later on. Unlike practice under the old rules, the preliminary statement is not opened until after the motion period is over.

In the past the Primary Examiner decided many Rule 231 motions. Now, under the new rules, the Examiner-in-Chief decides motions made under Rule 633. It is intended that this will decrease the pendency time of the interference. (Such motions are now designated as preliminary motions.)

The preliminary motions that can now be made under the new rules are: (a) a motion for judgement on the ground that an opponent's claim corresponding to a count is not patentable, (b) no interference in fact, (c) a motion to redefine the interfering subject matter, (d) a motion to substitute a different

application, (e) a motion to declare an additional interference, (f) a motion to accord benefit, (g) a motion to attack benefit, and (h) a motion to add a reissue application. No other motions are permitted under the new rules. There is no provision for a motion for judgment on a different ground such as no right to make, although such a motion probably could now be worked into a motion for no interference in fact or a motion for unpatentability under 35 U.S.C. 112. Under the new rules, reconsideration of a decision of the Board on motions is permissible in the hope of curtailing petitions to the Commissioner. Petitions to the Commissioner under Rule 183 are still available, but these are intended only for clarification or interpretation of a particular rule, and not for a review of a decision on the substance of the motion.

In addition to oral deposition, a party may elect to present evidence by way of affidavit, but the witness must be available in the United States for cross-examination. Before a witness can be subpoenaed under 35 U.S.C. 24, permission must be obtained from the Examiner-in-Chief.

Under the new rules, both junior and senior party estoppel exists as to nonpriority issues.

With regard to a party alleging interference of suppression, the party taking this tack must do so within 10 days after close of testimony so that

further testimony may be taken with regard to the reasonableness of the delay, e.g., perfecting the invention during the period of the alleged suppression.

Mr. Klitzman then turned his attention to the amendments to 35 U.S.C. Sections 103 and 116. The purpose of the amendments was to overcome the *Bass* and *Clemmens* decisions of the old CCPA (*Clemmens* was overruled in *Kimberly-Clark v. Johnson & Johnson Co.*, 223 U.S.P.Q. 603). In Mr. Klitzman's opinion, the use of these amendments may result in potential litigation issues and should be used with caution.

Under the amendments, commonly-owned prior inventions are disqualified as prior art under 102 (f) or (g). Thus, obvious improvements by different inventive entities are patentable over prior inventions, provided they are commonly-owned. The amendments only apply to obvious improvements because if an improvement is not obvious, it is not a *Bass* or *Clemmens* situation.

These amendments raise constitutional issues, such as whether an obvious improver is a discoverer and whether obvious common ownership is a proper basis for patenting of these obvious improvements.

Secondly, the amendments have limitations. The unobvious invention must not have been accessible to the public prior to the "invention of the

obvious improvement, for such public disclosure would be a statutory bar under 35 U.S.C. 102 (a)—known or described in printed publications or used in this country. Similarly, under 35 U.S.C. 102 (e), if the obvious improvement is made after the filing date of the unobvious invention, and the unobvious invention is granted a patent, again there is a statutory bar. Finally, under 35 U.S.C. 102(b), the obvious improvement must be filed within the one-year statutory period of a public use or sale of the prior invention, to escape the statutory bar. It is also questionable whether two simultaneously pending applications joined together to form a single application would avoid the problem raised above with respect to 102(e) when the ultimately issued "combination" patent winds up in litigation. There is the possibility that a court may rule that particular claims of one inventive entity were obvious in view of the earlier-filed claims of a different inventive entity.

Also, troublesome is the situation under 102(f). Thus, the prior novel and nonobvious invention of another can be the basis for patenting commonly-owned obvious improvement, even though the first inventive entity is unaware of the obvious improver making use of its novel, nonobvious invention.

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