



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

Patent Interference 105,376 McK
Technology Center 1600

KHALID KARIM and **ALLA E.M. ADRIS**,

Patent 6,143,921,
Junior Party,
v.

SIMON JOBSON and **DERRICK WATSON**,

Application 09/985,274,
Senior Party.

*Before: FRED E. McKELVEY, Senior Administrative Patent Judge, and
LEE E. BARRETT and RICHARD TORCZON, Administrative Patent
Judges.*

*McKELVEY, Senior Administrative Patent Judge; joined by BARRETT,
Administrative Patent Judge.*

MEMORANDUM OPINION and ORDER

A. Introduction

On 11 October 2006, the Board entered a decision on motions
and issued an order to show cause why a judgment should not be entered
consistent with the views set out in a MEMORANDUM OPINION and
ORDER accompanying the decision on motions. Paper 95, page 48.

Karim timely filed a response. Paper 96, filed 30 November 2006.

1 Jobson elected not to file a response.

2 Upon consideration of the Karim Response, the Board entered an
3 order inviting Jobson to reply to the Karim Response. Paper 97, entered
4 15 December 2006.

5 Jobson timely filed a reply. Paper 98, filed 17 January 2007.

6

7 **B. The issue**

8 The issue before us is whether we should enter judgment without
9 deciding all motions, thereby leaving certain issues for resolution by the
10 Examiner upon resumption of *ex parte* prosecution of the involved Jobson
11 application.

12

13 **C. Findings of fact**

14 Details of the interference can be found in our MEMORANDUM
15 OPINION and ORDER entered in support of the decision on motions and
16 order to show cause. Paper 95.

17

18

Issues Decided

19 In our decision on motions we made the following decisions.

20

21 1. A Karim reissue application was added to the interference
22 and reissue application claims 1-2, 5-17 and 20-34 were designated as
23 corresponding to the count. Paper 95, page 46. We now note that reissue
24 claims 4 and 17 should not have been designated as corresponding to the
25 count, because they are the same as Karim patent claims 4 and 17 which
26 have not been designated as corresponding to the count. *See* the
27 REDECLARATION (Paper 100) entered concurrently herewith.

28

2. Karim patent claim 1 and Karim reissue claim 1 are
unpatentable over the prior art. We reached our unpatentability holding after

1 (1) construction of the scope of Karim patent claim 1 and Karim reissue
2 claim 1, (which are identical in scope) and (2) taking into account
3 admissions made by Karim. Paper 95, *see inter alia* pages 24-28.

4 3. Karim patent claims 2, 5-16 and 20 and Karim reissue
5 claims 2, 5-16 and 20-34 are unpatentable for failure to comply with the
6 enablement requirement of the first paragraph of 35 U.S.C. § 112. More
7 specifically, the enabling description in the Karim patent is not
8 commensurate in scope with the breadth of those claims. Paper 95, *see inter*
9 *alia* pages 28-31.

10 4. Jobson is entitled to a constructive reduction to practice as
11 early as the filing date of its PCT International Application, filed 5 August
12 1997. Paper 95, *see inter alia* pages 8 and 44.

13 5. Karim does not allege a date of invention prior to the date
14 accorded Jobson. Paper 95, *see inter alia* page 46. Accordingly, Karim
15 cannot prevail on priority.

16 6. Karim patent and reissue claims 3-4 and 17-19 should never
17 have been, and are not, designated as corresponding to the count and
18 therefore were not “involved” in the interference within the meaning of
19 35 U.S.C. § 135(a). There is no interference-in-fact between (1) Karim
20 patent and reissue claims 3-4 and 17-19 and any Jobson claim designated as
21 corresponding to the count.

22 Issues not decided

23 Certain issues were left undecided despite briefing by the parties.
24 Those issues include the following issues.

25 1. Jobson Motion 3 for judgment against Karim based on
26 alleged unpatentability over the prior art. The issue was deemed moot given
27 that we had already determined that the Karim claims were unpatentable

1 over the prior art (claim 1) or were unpatentable for lack of enablement (the
2 remaining involved Karim claims).

3 2. Karim motion for judgment against Jobson based on an
4 alleged lack of written description and Karim motion for judgment against
5 Jobson based on an alleged lack of enablement were denied to the extent that
6 we found Jobson adequately described at least one embodiment within the
7 scope of the count on a date prior to any date of invention alleged by Karim.
8 The motions were otherwise dismissed without prejudice to further
9 consideration by the Examiner upon resumption of *ex parte* proceedings.

10 3. Karim motion for judgment against Jobson based on alleged
11 unpatentability over the prior art was dismissed without prejudice to further
12 consideration by the Examiner upon resumption of *ex parte* proceedings.

13 4. Karim motion to substitute new counts was dismissed
14 because Karim has no patentable claim which could be designated as
15 corresponding to either one of the two proposed counts. One condition for
16 substituting a new count is that the moving party has at least one patentable
17 claim which can be designated as corresponding to the new count.

18 Karim and Jobson positions

19 Karim maintains that we should have decided the motions raising
20 unpatentability issues against Jobson. Karim further maintains that we
21 should apply our lack of enablement holding to the Jobson claims involved
22 in the interference. Jobson disagrees.

23 **C. Discussion**

24 Why are we exercising discretion to not decide certain issues?

25 We agree with our appellate reviewing court that unless a reason is
26 apparent, it is generally appropriate to explain an exercise of discretion.
27

1 *Cf. Cultor Corp. v. A.E. Staley Mfg. Co.*, 224 F.3d 1328, 1333, 56 USPQ2d
2 1208, 1212 (Fed. Cir. 2000) (ordinarily courts of appeals frown on
3 unexplained exercises of discretion by trial judges; sometimes, however, the
4 explanation is apparent). What follows is our explanation of why we will
5 exercise discretion in this interference to enter judgment without deciding all
6 issues raised and briefed by the parties.

7
8

What is an application v. patent interference?

9 During the course of examination of a patent application, an
10 interference between the application and a patent may be needed when an
11 applicant has otherwise patentable claims and both the application and the
12 patent are claiming patentably indistinct inventions as defined in 37 C.F.R.
13 § 41.203(a) (2006). Assuming the application is otherwise allowable, it is
14 not in the public interest for the Director to issue a second patent leaving the
15 public to wonder which patentee would be the proper patentee to approach
16 for a license. Hence, the Congress determined that an interference between
17 an application and a patent may be conducted in the USPTO before the
18 Board. 35 U.S.C. § 135(a).

19 Up until 1984, a complication existed in interference practice. The
20 Board of Patent Interferences lacked jurisdiction to consider patentability
21 over the prior art. *See, e.g., Glass v. DeRoo*, 239 F.2d 402, 112 USPQ 62
22 (CCPA 1956). In 1984, Congress amended the patent law to permit
23 patentability over the prior art to be considered in an interference. Pub. L.
24 98-622, §§ 105 and 202, 98 Stat. 3385-86 (Nov. 8, 1984). Specifically,
25 Congress provided that in an interference a newly created Board of Patent
26 Appeals and Interferences shall decide priority of invention (a function
27 previously performed by the Board of Patent Interferences) and may decide

1 patentability (a function previously performed by the Board of Appeals).
2 35 U.S.C. § 135(a). A pre-1984 inability to consider patentability over the
3 prior art resulted in inefficiencies in resolving interferences. Under pre-1984
4 practice, during the interlocutory phase of an interference if an application
5 claim was found to be unpatentable over the prior art during an interference,
6 the interference was “dissolved”¹ and *ex parte* prosecution resumed. If the
7 applicant overcame the prior art upon resumed *ex parte* prosecution, the
8 interference had to be reinstated. The patentability of a patent claim over
9 the prior art could not be considered in an interference. These inefficiencies
10 were removed by Congress in 1984.

11 Under post-1984 practice, sometimes an interference can be resolved
12 on the basis of unpatentability without any need to reach priority. *Berman v.*
13 *Housey*, 291 F.3d 1345, 63 USPQ2d 1023 (Fed. Cir. 2002). Sometimes it is
14 necessary to resolve the patentability of less than all of the claims. *Noelle v.*
15 *Lederman*, 355 F.3d 1343, 69 USPQ2d 1508 (Fed. Cir. 2004). Other times,
16 a decision on priority resolves the interference without a need to reach
17 patentability issues. *In re Sullivan*, 362 F.3d 1324, 70 USPQ2d 1145 (Fed.
18 Cir. 2004). On yet other occasions, both priority and patentability are
19 resolved. *Perkins v. Kwon*, 886 F.2d 325, 12 USPQ2d 1308 (Fed. Cir.
20 1989). What issues are decided, and in what order, manifestly depends on a
21 case-by-case analysis. 37 C.F.R. § 41.125(a) (2006).

¹ An allegation that an application was unpatentable over the prior art was raised by a motion. 37 C.F.R. § 1.231(a)(1) (1984). If the prior art also applied to the patent, the motion would not be considered. If the motion was granted by the primary examiner, the interference would be “dissolved.” 37 C.F.R. § 1.231(d) (1984). Under post-1984 interference practice an interference is no longer “dissolved.” See *Parks v. Fine*, 783 F.2d 1036, 1037, 228 USPQ 677, 678 (Fed. Cir. 1986), *amending*, 773 F.2d 1577, 227 USPQ 432 (Fed. Cir. 1985).

1 At the end of the day an application v. patent interference is needed
2 only if the Examiner encounters an application claiming the same patentable
3 invention as a patent. If the patent claims are cancelled as a result of an
4 interference, then the Examiner is free to “ignore” the patent claims because
5 there is no longer a patent “claiming” the same patentable invention. The
6 Examiner can continue the *ex parte* examination, including taking such steps
7 as (1) rejecting claims, including those of an applicant who prevails in an
8 interference,² or (2) passing the application to issue if the claims in the
9 application are otherwise patentable. An interference is therefore part of the
10 overall examination process.

11 What the Examiner needs to know from an application v. patent
12 interference is: Do the patent claims stand in the way of issuing a patent to
13 the applicant? If the patentee “loses”³ the interference, the patent claims are
14 cancelled and the answer is “No.” 35 U.S.C. § 135(a). If the applicant
15 “loses” the interference, then the answer is “Yes.” A determination of
16 unpatentability might, or might not, resolve a priority question. Once the
17 Examiner gets a “yes” or a “no,” that is all the Examiner needs and that it is
18 all the Director needs to carry out statutory duties to examine patent
19 applications which became involved in an interference.

² See, e.g., *In re Saunders*, 219 F.2d 455, 104 USPQ 394 (CCPA 1955) (claims of party awarded priority rejected); *Krasnow v. Bender*, 170 F.2d 560, 79 USPQ 78 (CCPA 1948) (prosecution may be reopened after favorable decision in an interference; the Patent Office is not bound to issue a patent to an applicant who prevails in an interference proceeding).

³ It is worth noting that there is no “winner” in an interference. There are only “losers.” A party who loses an interference loses its right to the claims involved in the interference. 35 U.S.C. § 135(a). A party who wins an interference may not get a patent at all. See n.2, *supra*.

1 It is not uncommon to find interference parties treating an interference
2 as either a pre-grant opposition proceeding or a post-grant cancellation
3 proceeding and expecting that all issues briefed be decided. Interferences
4 are not post-grant cancellation proceedings like those available in
5 trademarks. *See, e.g.*, 15 U.S.C. § 1064 [Section 14 of the Lanham Act].
6 Interferences are not pre-grant opposition proceedings like those available in
7 trademarks. *See, e.g.*, 15 U.S.C. § 1063 [Section 13 of the Lanham Act]. It
8 is true that Congress has authorized reexamination proceedings where
9 limited issues can be raised and participation by a third-party is limited.
10 However, in patent cases Congress has yet to authorize what might be
11 characterized as “full-blown” *inter partes* pre-grant oppositions or post-grant
12 cancellation proceedings.

13 Some practitioners have expressed the opinion that the reason some
14 motions may not be decided is because “the Board is trying to get out of
15 work.” For example, one author has colorfully stated: the Board “fights ...
16 to avoid the work.”⁴ We disagree. The USPTO, including the Board, has
17 what has been characterized as “an enormous volume of work.” *See* Judge
18 Newman’s dissenting opinion in *Bristol-Myers Squibb Co. v. Pharmachemie*
19 *B.V.*, 361 F.3d 1343, 1351, 70 USPQ2d 1097, 1102 (Fed. Cir. 2004). Our
20 approach is to resolve interferences in a just, speedy and inexpensive
21 manner. 37 C.F.R. § 41.1(b) (2006). By resolving interferences in an
22 efficient manner, it is true that some “work” may be avoided in a particular
23 interference if a particular motion is not decided. When that motion is not
24 decided, resources become available to handle the “enormous volume of

⁴ Gholz, *A Critique of the New Rules and the New Standing Order in Contested Case/Interference Practice*, 87 J. Pat. & Trademark Off. Soc’y 62, 70 (2005).

1 work” involved in an increasing *ex parte* and interferences docket.
2 Performing unnecessary “work” in one interference prevents us from taking
3 up other interferences and *ex parte* cases thereby denying prompt attention
4 to other deserving applicants and patentees who appear before us, all of
5 whom pay user fees so the USPTO can have the fiscal resources to carry out
6 its functions.

7 Sometime we find it appropriate to leave unresolved issues for further
8 consideration by the Examiner upon resumption of *ex parte* prosecution. It
9 may be true that both Examiners and the Board have technical knowledge
10 and legal knowledge. However, Examiners have expertise in examining
11 patent applications. The Board has expertise in handing interferences.
12 There can be an advantage in allowing an Examiner to consider a
13 patentability issue rather than having the Board do so when an interference
14 is otherwise resolved. *First*, the *ex parte* examination process is inherently a
15 more efficient process vis-à-vis the *inter partes* interference process.
16 *Second*, because the Examiner works day-to-day in the art, the Examiner
17 may be in a good position to know of a prior art reference which may
18 provide a complete answer to an argument presented by an applicant in
19 support of patentability. We are told, however: that the Examiner is likely
20 to pass the case to issue without considering patentability issues referred to
21 the Examiner by the Board or “examiners don’t have the requisite time to
22 deal with complicated issues in prosecution in an *ex parte* manner.”⁵ We
23 disagree. A complete answer can be found in the following observation of

⁵ Gholz, *Participation By A Victorious Interferent In the Losing Interferent’s Post-Interference Prosecution*, Intellectual Property Today, page 39 (Jan. 2007).

1 the Federal Circuit in *Haley v. Department of the Treasury*, 977 F.2d 553,
2 558 (Fed. Cir. 1992):

3 “There is a strong presumption in the law that administrative
4 actions are correct and taken in good faith.” *Sanders v. United*
5 *States Postal Service*, 801 F.2d 1328, 1331 (Fed. Cir. 1986).
6 More specifically, “[i]t is well established that there is a
7 presumption that public officers perform their duties correctly,
8 fairly, in good faith, and in accordance with law and governing
9 regulations and the burden on the plaintiff to prove otherwise.”
10 *Parsons v. United States*, 670 F.2d 164, 166 (Ct. Cl. 1982)
11 (citing *United States v. Chemical Found., Inc.*, 272 U.S. 1,
12 14-15 (1926)).
13

14 See also *Clemmons v. West*, 206 F.3d 1401, 1403-4 (Fed. Cir. 2000); *Union*
15 *Pacific R.R. v. United States*, 847 F.2d 1567, 1571 (Fed. Cir. 1988); *Cook v.*
16 *United States*, 855 F.2d 848, 849 (Fed. Cir. 1988); and *American Hoist &*
17 *Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1360, 220 USPQ 763, 771
18 (Fed. Cir. 1984) (noting deference due to a qualified government agency
19 presumed to have properly done its job). We are confident that the
20 examiners in the USPTO are deserving of the presumption expressed by the
21 Federal Circuit and we decline to make any assumption that an examiner
22 would not conduct the Government’s business consistent with the
23 presumption expressed in *Haley*.

24 Another factor we take into account is whether continuing an
25 interference may lead to additional term adjustment. An applicant, but not a
26 patentee, involved in an interference is entitled to term adjustment if the
27 applicant ultimately receives a patent. 35 U.S.C. § 154(b)(1)(C)(i). A
28 decision to terminate an interference which answers the “yes” or “no” for the
29 Examiner can be justified if failing to terminate the interference leads to
30 possible additional patent term adjustment. In this particular interference,

1 patent term adjustment is not a concern because Jobson has filed a terminal
2 disclaimer in the involved Jobson application and therefore would not be
3 entitled to patent term adjustment.

4 Yet another and related factor is the expiration of any term of any
5 patent which may be issued post-interference. The CCPA had occasion to
6 address the “term” with respect to reissue applications in *In re Pritchard*,
7 463 F.2d 1359, 1361, 175 USPQ 17, 19 (CCPA 1972) (there is an obvious
8 public interest in unnecessary postponement of the beginning of the running
9 of the term of a patent resulting from an application in interference
10 proceedings) and *Pritchard v. Loughlin*, 361 F.2d 483, 487, 149 USPQ 841,
11 844 [headnote 1] (CCPA 1966) (interference proceedings involving reissue
12 should be handled expeditiously inasmuch as the term of any reissue patent
13 is running). An application with a terminal disclaimer is situated in a
14 position similar to a reissue application—the term of any patent has been set
15 before the patent issues.

16
17 What about this case?

18 In this interference, we have been able to answer the “yes” or “no”
19 question for the Examiner by holding that Karim’s involved claims (*i.e.*, the
20 Karim claims corresponding to the count) are unpatentable (1) over the prior
21 art (claim 1), (2) for lack of enablement commensurate in scope with the
22 breadth of the claims (the remaining involved Karim claims) and (3) based
23 on priority (all involved Karim claims). In essence, we have answered “No”
24 using a belt (patentability) and suspenders (priority) to support the answer.
25 With the “No”, the Examiner can now finish examination of the involved
26 Jobson application. Karim has no inherent right to participate in that
27 examination as though examination were a pre-grant opposition. In this

1 respect, it is worth noting that after the amendments to 35 U.S.C. § 135(a) in
2 1984, Congress has since explicitly admonished against pre-issuance
3 oppositions for published applications. *See, e.g.*, 35 U.S.C. § 122(c), which
4 was enacted after the 1984 amendment to 35 U.S.C. § 135(a). At this point,
5 Karim would appear to stand in no better position than had its claims been
6 cancelled pre-interference via a reexamination proceeding filed by some
7 third-party other than Jobson.

8 Karim maintains the prior art applicable to Karim is the same as that
9 applicable to Jobson and therefore we should hold Jobson’s claims
10 unpatentable.⁶ However, one piece of prior art available against Karim
11 which is not available against Jobson is the Jobson published PCT
12 application. Further, Jobson never admitted that the prior art rendered any
13 Jobson claim unpatentable regardless of how a Karim or Jobson claim is

⁶ Karim continues to insist that Jobson’s *application* claims are “invalid.” We do not know why Karim continues to mischaracterize patentability as invalidity. The Congress has determined that we have authority to look into patentability. *Compare* (1) 35 U.S.C. § 135(a), which nowhere mentions “invalidity” but does authorize patentability determinations with (2) 35 U.S.C. § 282 providing invalidity defenses. Patentability is not the same thing as validity. For one thing, the burden of proof on patentability before the Board is preponderance of the evidence. *Bruning v. Hirose*, 161 F.3d 681, 48 USPQ2d 1934 (Fed. Cir. 1998). The burden of proof in an “invalidity” setting, *e.g.*, a civil action for patent infringement, is clear and convincing. *American Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 220 USPQ 763 (Fed. Cir. 1984). We believe parties, as well as the Board, should use suitable statutory language when addressing issues in an interference and before the USPTO in general. Calling a mule a camel just because both have four legs and can be used to transport material can lead to confusion and misunderstanding. Maybe we could better make our point if the next time a party files a motion for judgment based on a claim being “invalid” we either (1) dismiss the motion as not authorized or (2) hold the moving party to clear and convincing proofs.

1 construed. The unpatentability admission by Karim applies only to Karim
2 and cannot apply to Jobson who made no such admission. Whether the
3 Examiner finds Jobson’s claims unpatentable over the National Distiller and
4 Research Disclosure documents, particularly in light of any observation
5 made by Karim as to those documents, is a different issue than the prior art
6 unpatentability issue resolved against involved Karim claim 1 and involved
7 reissue Karim claim 1.

8 Karim makes a similar line of argument with respect to our holding
9 that Karim’s involved claims are unpatentable based on a lack of enablement
10 commensurate in scope with the breadth of the claims. To be sure, the
11 Karim claims and the Jobson claims are essentially identical. However, a
12 review of the respective specifications of the Karim patent and the Jobson
13 application will reveal that Karim and Jobson address the problem to be
14 solved (use of a catalyst to prevent or minimize production of carbon
15 monoxide in the first step) with different catalysts. It does not *per se* follow
16 that issues associated with that scope of enablement in the Karim
17 specification are the same as the scope of enablement of the Jobson
18 specification. Moreover, since Jobson did not “lose” the interference, there
19 is no estoppel as to Jobson. 37 C.F.R. § 41.127(a) (2006). Jobson will be
20 free to amend claims in response to any rejection by the Examiner. While
21 responsive motions may be used in an interference to amend claims,⁷ the
22 amendment process is less efficient in interference practice than it is in *ex*
23 *parte* practice.

24 Karim bottoms its unfairness argument on some decisions of the
25 Federal Circuit, including (1) *Schulze v. Green*, 136 F.3d 786, 791, 45

⁷ Karim took advantage of an ability to “amend” its patent claims by filing a reissue application containing claims not present in the Karim patent.

1 USPQ2d 1770, 1774 (Fed. Cir. 1998) and (2) *Wu v. Wang*, 129 F.3d 1237,
2 1241, 44 USPQ 1641, 1642 (Fed. Cir. 1997).

3 Karim tells us that those decisions compel a different result. We
4 disagree. Our starting point in discussing the Federal Circuit opinions is a
5 recognition that a decision should be read to see: “What was the precise
6 holding of the court?” Decisions of courts, like decisions of the Board, are
7 supported by an opinion. Opinion writing is not as easy as counsel might
8 think!

9 An opinion is written with a certain set of facts in mind. In the
10 process of writing an opinion, a statement believed to be entirely appropriate
11 at the time but later turns out to be an “over-statement”. Another set of facts
12 comes along and the tribunal looking at its prior opinion discovers that its
13 opinion was “too broad” and inappropriately “covers” a situation which the
14 tribunal had not considered or appreciated at the time the opinion was
15 written. One can see an evolution in Federal Circuit opinions of the
16 principles first articulated by the Federal Circuit in *Perkins v. Kwon*,
17 886 F.2d 325, 12 USPQ2d 1308 (Fed. Cir. 1989). We understand the
18 Federal Circuit’s opinion-writing process and fully sympathize with the
19 difficulties associated with writing opinions. We urge counsel to likewise
20 appreciate those difficulties when citing cases to us and ask that counsel not
21 “over-cite” an opinion for a proposition not decided by the opinion.

22 The precise holding in *Perkins v. Kwon*, 886 F.2d 325, 12 USPQ2d
23 1308 (1989) was the following: The Board did not err when it decided that
24 the involved claims of Kwon were unpatentable under 35 U.S.C.
25 § 102(b)/103 after it had decided that the involved claims of Perkins were
26 unpatentable under 35 U.S.C. § 102(g) (because Perkins “lost” on the issue
27 of priority). Nothing more and nothing less was decided. *Perkins* did not

1 decide, and consistent with Article III of the Constitution could not have
2 decided, that under some other circumstances, the Board should or should
3 not decide a different case in any particular manner. Consistent with Anglo-
4 Saxon jurisprudence, the Federal Circuit issued an opinion addressing its
5 rationale. As we indicated earlier, opinion writing is not as easy as it might
6 appear. One can debate the proposition that perhaps statements made in
7 *Perkins* were not necessary to support its decision. Those statements,
8 however, have been used by counsel appearing before as gospel to argue that
9 every time an issue is fully briefed, the Board must decide the issue. Even if
10 one assumes that the Federal Circuit made a statement which might give that
11 impression, it made no such *holding* in *Perkins*. Subsequent Federal Circuit
12 decisions involving different facts will immediately confirm the precise
13 nature of the *Perkins* holding.

14 In 1997, the Federal Circuit had before it *Wu v. Wang*, 129 F.3d 1237,
15 44 USPQ2d 1641 (Fed. Cir. 1997), which is often cited to us for the
16 proposition that we must decide all briefed issues. In entering its final
17 decision in an interference, the Board held that (1) all of junior party Wang's
18 involved claims were unpatentable over the prior art and (2) some of senior
19 party Wu's claims were unpatentable over the prior art and some were not.
20 Wu appealed to the Federal Circuit seeking review of the Board's decision
21 to the extent it held some of Wu's claims to be unpatentable. Wang did not
22 cross appeal. Rather, Wang filed a notice of election to have all further
23 proceedings conducted under 35 U.S.C. § 146. Wang then sought judicial
24 review under § 146 in the Central District of California to challenge the
25 Board's holding that some of Wu's claims were patentable. Wu moved to
26 have the Federal Circuit maintain jurisdiction over the appeal, essentially
27 asking the Federal Circuit to ignore the notice of election. Wu also filed a

1 “protective” civil action under § 146 in the District of Columbia. Wu took
2 the position that Wang was a third-party protester at this point since it had
3 not appealed the adverse decision holding its claims unpatentable. The
4 Federal Circuit found that Wang (1) was an “adverse” party, (2) was entitled
5 to file a notice of election and (3) could properly seek judicial review of the
6 Board’s holding that some of Wu’s claim were patentable. The Federal
7 Circuit agreed that Wang was entitled to challenge any part of the Board’s
8 decision with which Wang was dissatisfied. The holding of the Federal
9 Circuit was that (1) the notice of election should not be dismissed, (2) the
10 appeal should be dismissed and (3) judicial review should take place in a
11 civil action under § 146 in the District of Columbia.

12 In *Wu*, the Federal Circuit notes that “[s]ignificantly, the interference
13 was not terminated once it became clear that Wang would not be entitled to
14 a patent.” 129 F.3d at 1241, 44 USPQ2d at 1644. The Federal Circuit did
15 not hold that the Board erred in considering all patentability issues. Nor did
16 the Federal Circuit have before it the hypothetical question of whether the
17 Board might have erred if it had declined to consider a patentability issue.
18 *Wu* provides little, if any, comfort for Karim.

19 Nine years after *Perkins*, the Federal Circuit had occasion to consider
20 *Schulze v. Green*, 136 F.3d 786, 45 USPQ2d 1770 (Fed. Cir. 1998). The
21 issue in *Schulze* was whether the Board erred in terminating an interference
22 when the Board gave less than clear notice to Schulze as to how a motion for
23 judgment based on alleged improper inventorship was to be renewed and
24 then declined to permit Schulze to raise the issue. On the “peculiar” facts,
25 the Federal Circuit felt that the Board’s actions amounted to a default
26 judgment. The Federal Circuit ordered that the Board set a fixed time for
27 Schulze to refile its motion, the court being careful not to tell the Board what

1 that time should be. The court went to say that the case shall not be returned
2 to *ex parte* examination respecting the inventorship issue. While the
3 USPTO accepted the court's "no *ex parte* examination" order as the law of
4 the case, it not apparent how a "no *ex parte* examination" issue could have
5 been ripe given that the Board had not yet set a time and Schulze had not yet
6 renewed its motion. In any event, the Federal Circuit itself noted that the
7 Schulze facts were "peculiar" and we are of the view that the *Schulze* facts
8 are not remotely the same as the facts in this case. Karim lost this
9 interference on the merits.

10 After *Schulze* comes *Berman v. Housey*, 291 F.3d 1345, 63 USPQ2d
11 1023 (Fed. Cir. 2002). One issue decided in *Berman v. Housey* was whether
12 the Board erred (*i.e.*, abused its discretion,) in declining to consider
13 Berman's motion for judgment based on alleged unpatentability having
14 granted Housey's motion for judgment based on a failure to comply with
15 35 U.S.C. § 135(b). The Federal Circuit found no error. The Federal circuit
16 acknowledged a USPTO rule which provided in relevant part that the Board
17 (1) may take up motions for decision in any order, (2) may grant, deny or
18 dismiss any motion and (3) may take such other action which will secure the
19 just, speedy and inexpensive determination of the interference. 291 F.3d at
20 1352, 63 USPQ2d at 1028, citing 37 C.F.R. § 1.640(b) (2001), now 37
21 C.F.R. § 41.125(a) (2006). Responding to Berman's arguments bottomed on
22 earlier cases and addressing *Perkins*, *Wu*, *Schulze* and some other cases, the
23 Federal Circuit observed that those cases stand for the proposition that if, in
24 a properly declared interference, an issue of priority or patentability is fairly
25 raised and fully developed on the record, then the Board has the authority to
26 consider that issue even after the Board determines that one party is not

1 entitled to its claims. Nowhere does the Federal Circuit state that the Board
2 is always required to do so.

3 As we see it, by the time *Berman v. Housey* arrived at the courthouse
4 door, the Federal Circuit came to appreciate that statements (not holdings) in
5 some of its earlier cases were probably being misinterpreted by the
6 practicing bar. In large measure, that misinterpretation was put to rest in
7 *Berman v. Housey*. No one should fault the path the Federal Circuit took to
8 get to its observations in *Berman v. Housey*. Writing opinions is not an easy
9 task. But, to the conscientious tribunal, statements subject to
10 misinterpretation in earlier opinions come to be clarified in subsequent cases
11 so that the law can evolve in an orderly manner. *Cf. Eberhart v. United*
12 *States*, 546 U.S. 12, ___, 126 S. Ct. 403, 407 (2005) (Supreme Court
13 acknowledged that an error by 7th Cir. “was caused in large part by
14 imprecision in our prior cases.”).

15 The next case worthy of discussion is *In re Sullivan*, 362 F.3d 1324,
16 70 USPQ2d 1145 (Fed. Cir. 2004). Despite its *ex parte*-like name, *Sullivan*
17 was an appeal from a decision entered in an interference. Sullivan felt its
18 opponent failed to comply with 35 U.S.C. § 135(b), but at the same time
19 conceded that it could not prevail on priority. The Board terminated the
20 interference on the basis of Sullivan’s concession and left to the Examiner a
21 decision whether an *ex parte* § 135(b) rejection should be made against
22 Sullivan’s opponent. The Federal Circuit found no abuse of discretion by
23 the Board in referring a possible § 135(b) rejection to the Examiner. In
24 *Sullivan*, a so-called threshold motion was referred to the Examiner after it
25 was determined that the moving party is not entitled to a patent based on
26 priority. The difference here is that Karim is not only *not* entitled to its
27 patent based on priority, but also on unpatentability (prior art and lack of

1 35 U.S.C. § 112. Alternatively, the enablement holding should be applied to
2 Jobson. We have already explained why the enablement issue with respect
3 to Jobson should be considered by the Examiner. Karim maintains that
4 before its claims may be held “invalid” (meaning unpatentable), it must first
5 be proven that there are actually other First Catalysts which are not enabled
6 by Karim’s specification. Paper 96, pages 8-9. We have no idea where
7 Karim gets the notion Karim advances before us. Karim’s expert testified
8 that (1) catalytic activity is not predictable and (2) before Karim he knew of
9 no way to produce the result Karim seeks. The expert’s testimony is
10 substantial evidence to sustain a lack of enablement commensurate in scope
11 with the breadth of the claims holding. To be sure, one skilled in the art
12 (1) could pick any catalyst, (2) try it in Karim’s process and (3) see if carbon
13 monoxide is produced. But, where would one skilled in the art start beyond
14 the catalysts described in the Karim patent? A patent is rewarded for the
15 successful conclusion to an endeavor, not as a hunting license to keep every
16 one out of the field while other suitable catalysts are discovered post-Karim.
17 *Brenner v. Manson*, 383 U.S. 519, 536, 86 S. Ct. 1033, 1042 (1966).

18
19

D. Order

20 Upon consideration of the record, Karim’s response (Paper 96) and
21 Jobson’s reply (Paper 98), and for the reasons given, it is

22 ORDERED that Karim has not overcome the order to show
23 cause.

24 FURTHER ORDERED that judgment should be entered against
25 Karim for the reasons given in the Decision on Motions (Paper 95).

26 FURTHER ORDERED that the interference is redeclared in a
27 separate paper (Paper 100).

1 FURTHER ORDERED that judgment is entered in a separate
2 paper (Paper 101).

1 TORCZON, *Administrative Patent Judge*, concurring.

2 Judge McKelvey's diplomatic opinion understates the problems
3 inherent in the cases Karim cites for the proposition that a patentability issue
4 raised in an interference should be resolved in the interference: *Schulze v.*
5 *Green*, 136 F.3d 786, 45 USPQ2d 1770 (Fed. Cir. 1998), and *Wu v. Wang*,
6 129 F.3d 1237, 44 USPQ2d 1641 (Fed. Cir. 1997). As Judge McKelvey
7 explains, whether a patentability question is reached is necessarily a matter
8 of case-management discretion. Unfortunately, Karim's view of the law is
9 widely held and is the source of continuing administrative difficulties for the
10 Board.

11 The problem with the widely held view that all patentability issues
12 should always be decided in an interference is that it flies in the face of the
13 legislative intent underlying the revision to 35 U.S.C. 135(a) two decades
14 ago. The Board was given jurisdiction to reach patentability to *expedite*
15 interferences, not to prolong them. This is why the jurisdiction to reach
16 patentability in § 135(a) is phrased permissively. In the present case, the
17 question that must be resolved (i.e., is there a priority question that prevents
18 the issuance of a patent to an applicant) has been answered. Hence, whether
19 the Board should reach additional patentability questions at the cost of
20 prolonging the proceeding is not a question of what Karim would like, but
21 rather a question of sound case management.

22 The origin of the problem ultimately traces to dicta in *Perkins v.*
23 *Kwon*, 886 F.2d 325, 12 USPQ2d 1308 (Fed. Cir. 1989). The question
24 actually presented in *Perkins* is the opposite of the one presented here: in
25 *Perkins*, priority had already been decided, yet the Board decided
26 patentability anyway. By affirming the Board decision to reach
27 patentability, the court answered the question actually before it in the

1 affirmative. Unfortunately, the opinion then went beyond the question
2 presented to state that patentability should always be decided. A statement
3 directed to a factual situation not before the court, and thus not actually in
4 issue, is dictum. It is important to distinguish an opinion's holding from its
5 dicta. *Delta and Pine Land Co. v. Sinkers Corp.*, 177 F.3d 1343, 1349,
6 50 USPQ2d 1749, 1753 (Fed. Cir. 1999), citing *United States Nat'l Bank of*
7 *Ore. v. Independent Ins. Agents of Am. Inc.*, 508 U.S. 439, 463 n.11, 113
8 S. Ct. 2173, 2186 n.11 (1993).

9 In fairness to the court, the dicta in *Perkins* was consistent with the
10 Board's practice at the time to try to resolve all issues. The problem with
11 this approach was that the pendency of interferences continued to be as long
12 as they were before Congress tried to remedy the pendency problem despite
13 the Office's commitment to reduce pendency to about two years. 37 C.F.R.
14 § 1.610(c) (1985). Plainly, the comprehensive approach the Office pursued
15 until the late 1990s was frustrating the legislative intent of obtaining quicker
16 resolution of priority contests.⁸ In retrospect, it was naive to have thought
17 interferences could routinely be both fast on priority and comprehensive on
18 patentability.

19 While many cases subsequently cited the *Perkins* dicta, with two
20 exceptions, the cases were like *Perkins* in that a mandatory reading of the

⁸ The perception of delay in priority contests continues to be widespread. *E.g., Medimmune, Inc. v. Genentech, Inc.*, 427 F.3d 958, 966, 76 USPQ2d 1914, 1920 (Fed. Cir. 2005) (characterizing such delays as "notorious"). Under the more focused approach adopted in 1998, interference pendency has drifted downward until now the vast majority of interferences are resolved within the prescribed two years. If Karim's view were to prevail, the delays would again become notorious.

1 dicta was beyond the actual holding of the case.⁹ The exceptions are
2 *Berman v. Housey*, 291 F.3d 1345, 63 USPQ2d 1023 (Fed. Cir. 2002), and
3 *Schulze*.

4 *Berman* dealt with the statutory construction problem raised in the
5 *Perkins* dicta. The "may determine questions of patentability" language in
6 § 135(a) is not at odds with the "shall...determine...patentability" language
7 of 35 U.S.C. 6(b) because the statutes are doing different jobs.

8 Section 135(a) permits the Board to decide patentability during an
9 interference, while § 6(b) restricts determination of patentability to the
10 Board rather than the Director. In *Berman*, the court declined to follow the
11 *Perkins* dicta as Judge McKelvey explains above.

12 *Schulze* is the one case where the *Perkins* dicta appears to have
13 affected the holding in the case. In *Schulze*, the court held that any
14 patentability question fairly raised in an interference must be decided.
15 *Schulze* had filed a defective motion to correct inventorship, which had been
16 dismissed in view of its defects. The Board proceeded to enter judgment
17 against *Schulze* under 35 U.S.C. 102(f) because the *Schulze* application
18 named the wrong inventors. The court remanded the case to the Board for
19 resolution of the inventorship question. Significantly, although the decision
20 turned on interpretation of agency practice, the agency was not present (even
21 as an amicus curiæ) to explain its practice. Hence, if *Schulze* is taken at face

⁹ *Wu* is a typical example. In *Wu*, the Board issued judgment against both parties on the basis of unpatentability. In a twist on *Perkins*, *Wu* argued that once Wang lost on patentability the Board should not have proceeded to decide the patentability of *Wu*'s claims. As in *Perkins*, the question was not whether the Board *had to* decide patentability but rather whether it *could* do so after the other party had lost.

1 value, then it presents the curious situation of a court mandating agency
2 behavior in future cases without consulting the affected agency.

3 What makes the *Schulze* holding odd is that the Board *did* determine
4 the patentability question raised. What the Board did *not* do (according to
5 the court) was offer Schulze an adequate opportunity to cure the
6 patentability problem.¹⁰ The court appears to have thought that the Board
7 abused its discretion in not resolving the inventorship issue before issuing
8 judgment on the basis of incorrect inventorship. Unfortunately, the court
9 turned to the *Perkins* dicta (at the behest of the parties and without guidance
10 from the Office) and characterized the issue as a failure to reach
11 patentability. While the *Schulze* holding is unquestionably law of the case,
12 the reasons the court gave for the holding are difficult to reconcile with the
13 facts of the case (as the court stated them) or with Board practice then or
14 now. *Schulze* cannot be read as prohibiting the agency from adjusting its
15 practice in future cases.¹¹

16 An irony of the *Schulze* holding is that the other party, Green, had
17 already lost on priority and did not appeal. Consequently, if the Board had
18 declined to decide the patentability motion but rather had let Schulze resolve

¹⁰ The present rules explicitly provide for "responsive motions", including a motion to change inventorship, in the face of a pleading or motion. 37 C.F.R. § 41.121(a)(2) (2006).

¹¹ In *Rowe v. Dror*, 112 F.3d 473, 479 n.2, 42 USPQ2d 1550, 1554 n.2 (Fed. Cir. 1997), the court noted an Office rule amendment that purported to have "set aside" a decision of the court. The court stated that the Office could not set aside a court precedent, but could change its own practice if it had a good reason to do so. In 1998, the Board changed its approach to patentability in interferences precisely because it could not reconcile an expansive approach to patentability with the long-standing Office goal of two-year average pendency.

1 the inventorship before an examiner as Schulze proposed, the appeal (and
2 the troublesome holding) in *Schulze* would never have come about. The
3 paradoxical effect of requiring the Board to reach any patentability issue that
4 is fairly raised will be that the Board will have to become much more
5 restrictive in authorizing any patentability motion at all lest it prove to be the
6 rate-limiting step. Case management takes place inside a broader context
7 than the wishes of a party in a particular case. *Rosemount, Inc. v. Beckman*
8 *Instruments, Inc.*, 727 F.2d 1540, 1549-1550, 221 USPQ 1, 10 (Fed. Cir.
9 1984). Reading court precedents as broad mandates about what must or
10 must not be done in managing a case, divorced from the facts of a particular
11 case, is counterproductive.

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