

This opinion is binding precedent of the Trial Section.

Paper 29

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

JAMES M. ANDERSON, Jr., RAAIDAH SAARI-NORDHAUS,
CAROL W. SIMS and YURI E. GERNER,

Junior Party,
(Application 08/904,852),

v.

DIONEX CORPORATION,

Senior Party
(Patent 5,633,171
Patent 5,773,615).

Patent Interference No. 104,446

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

McKELVEY, Senior Administrative Patent Judge.

MEMORANDUM OPINION and ORDER
(denying motion for stay)

A. Introduction

Dionex Corporation has filed a Rule 635 motion (Paper 15)
requesting that the interference be stayed pending entry of a

final judgment in Dionex Corporation v. Alltech Associates, Inc., Civil Action C 98-3147 MJJ, pending before the U.S. District Court for the Northern District of California (Hon. Martin J. Jenkins, District Judge).

In view of an ORDER entered 2 November 1999 (Paper 14), as corrected by a COMMUNICATION entered 12 November 1999 (Paper 21), Anderson has not filed a response.

For reasons which follow, the motion is denied.

B. Findings of fact

1. The complaint in the civil action was filed on 13 August 1998 (Ex 50002).¹

2. The complaint alleges that Alltech Associates, Inc. (**Alltech**) infringes Small, U.S. Patent 5,633,171 (**Small '171**) and Small U.S. Patent 5,773,615 (**Small '615**), both owned by Dionex Corporation (**Dionex**).

3. The interference was declared on 22 September 1999 (Paper 1).

4. As declared, the interference involved an application of Anderson versus Small '171.

¹ Dionex has presented exhibits labeled in a manner contrary to ¶ 39 of the NOTICE DECLARING INTERFERENCE (Paper 1). Dionex exhibits should be numbered beginning with 5001. The Brezner declaration should have had, but does not have, an exhibit number. The remaining Dionex exhibits are numbered 50002 through 50005. In the future, Dionex is expected to properly number exhibits. The next Dionex exhibit should be Dionex Ex 5006.

5. Alltech owns the Anderson application involved in the interference.

6. By virtue of an ORDER ADDING PATENT 5,773,615 TO INTERFERENCE entered 12 November 1999 (Paper 22), Small '615 was also added to the interference.

7. Accordingly, the interference currently involves the Anderson application versus both Small '171 and Small '615.

8. In the civil action, it appears that the parties (Dionex and Alltech) narrowed the issues.

a. Dionex withdrew Small '171 from the civil action (Ex 50003, page 2).

b. The principal defense maintained by Alltech is that it made an "Anderson" invention (35 U.S.C. § 102(g)) prior to the date Dionex made its "Small" invention as claimed in Small '615 and that the Anderson invention together with other prior art renders the Small invention claimed in Small '615 unpatentable (motion, page 5).

c. Another issue pending before the Northern District of California appears to be the meaning of "a first packed bed suppressor" in claim 1 of Small '615 and "an ion exchange

resin bed" in claim 8 of Small '615

(Ex 50003, page 3, ¶ B).

9. The Northern District of California entered an order on 6 October 1999 in which it set a "Claim Construction Hearing" (i.e., a Markman hearing²) for 18 February 2000 (Ex 50004, page 2).

10. In the civil action, Dionex has requested a jury trial (Ex 50002, page 1).

11. Dionex represents that (motion, page 5):
the court [Northern District of California] has indicated that a trial date will be held by early July 2000. Since this is a jury trial, it is likely that all issues before the Board in this Interference proceeding will be resolved by the district court by the end of July 2000.

12. Notwithstanding what Dionex represents, nothing in the record indicates that the Northern District of California has set a trial date.

13. During a conference call on 10 November 1999 (see Paper 22),³ counsel orally argued that Anderson would oppose a stay because it cannot obtain a patent until it can prevail in

² See Markman v. Westview Instruments, Inc., 52 F.3d 967, 981, 34 USPQ2d 1321, 1331 (Fed. Cir. 1995) (en banc), aff'd, 517 U.S. 370 (1996).

³ Mr. Gabric and Mr. Green, on behalf of Anderson, and Mr. Brezner, on behalf of Dionex, participated in the conference call in which Judge McKelvey presided.

the interference, and it cannot prevail in an interference which is stayed.

14. During a conference call on 12 November 1999,⁴ counsel for Dionex orally argued that if a stay is not granted then there would be substantial duplication of work while the interference and the civil action proceeded simultaneously.

C. Discussion

Rule 645(d) [37 CFR § 1.645(d)] provides that "[a]n administrative patent judge may stay proceedings in an interference" (emphasis added). Thus, whether a stay should be entered in an interference is committed to the sound discretion the administrative patent judge--in this case the Trial Section motions panel.⁵

1. Different burdens of proof

In a civil action for infringement, a defendant alleging invalidity (including invalidity based on prior invention under 35 U.S.C. § 102(g)) must prove its case by clear and convincing evidence. Ethicon, Inc. v. Quigg, 849 F.2d 1422, 7 USPQ2d 1152,

⁴ Mr. Gabric and Mr. Green, on behalf of Anderson, and Mr. Brezner and Mr. Kelber, on behalf of Dionex participated in the conference call in which Judges McKelvey and Schafer presided.

⁵ Rule 1.610(b) [37 CFR § 1.610(b)] further provides that "[a]t the discretion of the administrative patent judge assigned to the interference, a panel consisting of two or more members of the Board may enter interlocutory orders." In view of its precedential nature, the interlocutory order entered today is being entered by a panel consisting of all judges assigned to the Trial Section.

1155-56 (Fed. Cir. 1988); Kaufman Co. v. Lantech, Inc., 807 F.2d 970, 974, 1 USPQ2d 1202, 1204 (Fed. Cir. 1986). On the other hand, in this interference where the Anderson application was copending with Small, the burden of proving priority and unpatentability is by a preponderance of the evidence. Bosies v. Benedict, 27 F.3d 539, 541-42, 30 USPQ2d 1862 (Fed. Cir. 1995) (in interference with copending applications, the burden of proof on the issue of priority is by a preponderance of the evidence); Bruning v. Hirose, 161 F.3d 681, 48 USPQ2d 1934 (Fed. Cir. 1998) (burden of proof on the issue of patentability of the claims of a patent in an interference where applications are copending is by a preponderance of the evidence).

In view of the different burden of proof standards prevailing in infringement civil actions vis-a-vis interferences, it is manifest that even if Anderson's assignee Alltech does not prevail in the civil action, it nevertheless could prevail in the interference.

2. Anderson's right to prosecute its application

Anderson has applied for a patent. The current position of the Patent and Trademark Office is that Anderson is not entitled to a patent unless it can establish priority of invention vis-a-vis Small '171 and Small '615. If the interference is stayed, and if Alltech does not prevail in the

civil action under a clear and convincing proof standard, then the interference will resume at some undetermined date after a final judgment is entered in the civil action. Alltech could then try a second time to prevail in the interference under a lesser preponderance standard.

Dionex would have Anderson wait two periods of time until its right to a patent is determined. One period of time is the undefined time it will take to reach final judgment in the civil action. Another period of time is the time it will take to resolve the interference, including any judicial review. We can perceive of no cogent reason to make Anderson wait both periods.

3. Issues in the interference not present in the civil action for infringement

The Anderson application is not before the Northern District of California. The only tribunal with jurisdiction over the Anderson application is the PTO.

In conference calls held 10 and 12 November 1999 to discuss the preliminary motion phase of the interference, Dionex has suggested numerous grounds upon which judgment should be entered against Anderson which do not involve priority.

By way of example, Dionex suggests in SMALL LIST OF PRELIMINARY MOTIONS IT INTENDS TO FILE (Paper 19, page 2) that it will raise at least the following two issues:

- (1) whether Anderson has failed to comply with the best mode requirement of the first paragraph of 35 U.S.C. § 112; and
- (2) whether Anderson has failed to comply with the enablement requirement of the first paragraph of 35 U.S.C. § 112.

The two issues are not issues before the Northern District of California, but can be raised in the interference. 37 CFR § 1.633(a).

Moreover, in an ANDERSON CORRECT AND SUPPLEMENTAL LIST OF PRELIMINARY MOTIONS IT INTENDS TO FILE (Paper 20, page 2), Anderson indicates that it will raise a question of whether Small '171 fails to comply with the best mode requirement. Best mode is not an issue in the civil action.⁶

4. Public interest

In determining whether a stay should be entered, it is not inappropriate to consider the public interest. Compare Standard Havens Products, Inc. v. Gencor Industries, Inc., ___ F.2d ___, ___, 13 USPQ2d 2029, 2029-30 (Fed. Cir. 1990).

⁶ We will not inquire into why Alltech elected not to raise a best mode issue in the infringement civil action and why it has elected to pursue the issue here. We will note, as discussed above, that Anderson's burden of proof in this interference is less than Alltech's burden of proof in the infringement civil action.

The former Court of Customs and Patent Appeals observed that there is an obvious public interest in unnecessary postponement of the beginning of the running of the term of a patent resulting from an application in interference proceedings. Pritchard v. Loughlin, 361 F.2d 483, ___, 149 USPQ 841, 844 (CCPA 1966). The public interest can be a nebulous concern. Nevertheless, for the reasons articulated by the former CCPA, it is entitled to some consideration.

In this particular interference, Anderson is involved with an application filed 1 August 1997. Thus, the Anderson application involved in the interference is what is often referred to as a GATT application, having been filed after 8 June 1995.

Anderson claims the benefit of the filing date of applications filed 7 June 1995 and 3 March 1995. The term of any patent issued on the Anderson application involved in the interference expires 20 years from the earliest priority date claimed. 35 U.S.C. § 154(a)(2). Thus, any Anderson patent will expire on 3 March 2015. The law provides for an extension of the term of any patent issued to Anderson, up to five years, for time involved in an interference. 35 U.S.C. § 154(b)(1); 37 CFR § 1.701(a) and (c)(1)(i).

The public could be "burdened" with additional patent term of up to five more years, i.e., for the entire time this

interference is pending. On the other hand, Anderson stands to lose "patent term rights" if the combined (a) time of a stay requested by Dionex and (b) time to prosecute resumed proceedings to resolve this interference exceeds five years. The only entity which does not stand to lose much is Dionex. Thus, entry of stay may prejudice the public and/or Anderson, but is very unlikely to prejudice Dionex.

5. Possible prejudice to Anderson

The board's expertise does not extend to economic matters. But, we are aware of the fact that some inventions are important during the early life of a patent, while others are useful at the end of the patent life (e.g., a patented drug approved by the FDA late in the patent term). Given the commercial interest represented by the filing of the civil action in the Northern District of California, a plausible inference can be made that the invention involved in the interference is of some commercial significance at this time. If it were not so, why would Alltech and Dionex be contesting the rights to the invention?

We do not know if the invention will have any commercial value in the last years of any patent which might issue to Anderson. But, we think a case exists for concluding that the invention is commercially significant (at least as between Dionex

and Alltech) right now. Hence, there is no reason to delay a determination as to whether Anderson is entitled to a patent.

6. Duplicate effort

Dionex suggests (motion, page 5) that the Northern District of California is not likely to stay the civil action. On the record before us, there is no evidence that the court has been asked to stay the civil action. More to the point, however, is the fact that whether a stay of the civil action is entered pending resolution of some or all issues in the interference is a matter exclusively within the province of the court--not the PTO.

If we assume for purposes of discussion that the Northern District of California would deny a request for a stay, then the parties will may have to concurrently prosecute both the civil action and the interference. One of the parties, Anderson, has indicated that it does not mind. Dionex has indicated its intent to raise issues in the interference which cannot be issues in the civil action. Concurrent prosecution of the civil action and the interference would seem to be the only method by which all issues to be raised by the parties ultimately can be resolved.

7. Balancing interests

On balancing all factors discussed above, we believe the scales are tipped--rather decidedly--in favor of denying a stay.

Anderson stands to lose a lot more than Dionex if a stay is entered. Accordingly, the stay requested by Dionex is denied.⁷

D. Other Dionex arguments

Dionex points out (motion, page 6) that the interference will not dispose of all issues before the Northern District of California. But, as we point out above, the civil action will not dispose of all the issues which the parties have expressed an intent to raise in this interference.

Dionex argues (motion, page 7) that even if Alltech should prevail in the interference, the district court would ultimately review the interference decision de novo,⁸ further delaying final decision in the interference. We find the argument premature, if not curious.

Until a final decision is entered in the interference, and the board articulates its rationale in support of its decision, how can one tell that there will be judicial review. It seems

⁷ We call attention to the fact that our decision today is consistent with a non-precedential opinion entered by Judge Schafer in Rosenthal v. Mowrey-McKee, 50 USPQ2d 1863 (Bd. Pat. App. & Int. 1999).

⁸ We would caution against misuse of the word de novo in the context of judicial review of a decision of the board by civil action under 35 U.S.C. § 146. Absent a compelling reason, a new issue cannot be raised in a civil action under 35 U.S.C. § 146. Estee Lauder, Inc. v. L'Oreal, S.A., 129 F.3d 588, ___, 44 USPQ2d 1610, 1613 (Fed. Cir. 1997); General Instrument Corporation, Inc. v. Scientific-Atlanta, Inc., ___ F.2d ___, 27 USPQ2d 1145 (Fed. Cir. 1993) (E.D. Pa. did not abuse discretion in civil action under § 146 declining to admit in evidence proofs directed to on-sale bar where on-sale had not been raised before the board). Nor does the losing party "start over" prosecuting the interference upon arrival at the court's door. Fregeau v. Mossinghoff, 776 F.2d 1034, ___, 227 USPQ 848, 851 (Fed. Cir. 1985).

odd that Dionex would express an opinion on its behalf, let alone commit Anderson, that judicial review will occur regardless of what happens in the PTO.

Dionex suggests (motion, page 7) that numerous documents have been exchanged during the course of discovery in the civil action which have been designated for "attorney's eyes only." We have not been told whether those documents deal with priority, infringement (wilful or otherwise), damages, unpatentability or some issue not relevant to the interference. It is alleged (motion, page 8) that failure to submit to the PTO documents required to be turned over by 37 CFR § 1.56 (Rule 56) complicates the life of the parties. Assuming that some of the "attorney's eyes only" document need to be submitted pursuant to Rule 56, it is difficult to imagine that counsel, with the assistance of the Trial Section, could not come to some arrangement to accommodate the Rule 56 concern expressed by Dionex.

Dionex says (motion, page 7) that some its "trade secrets" will become available to the public upon termination of the interference. 37 CFR § 1.11(a). Unexplained is why a stay makes any difference. Any evidence submitted by the parties will become available to the public upon entry of a final decision in the interference whether or not a stay is granted.

E. Order

Upon consideration of the motion for stay filed by Dionex (Paper 15), and for the reasons given, it is

ORDERED that the motion is denied.

FRED E. McKELVEY, Senior)
Administrative Patent Judge)

RICHARD E. SCHAFER)
Administrative Patent Judge)

JAMESON LEE)
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RICHARD TORCZON)
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