

The opinion in support of the decision being entered today is binding precedent of the Trial Section.

Paper 56

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28 February 2000

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

TROPIX, INC.

Junior Party,
(Application 09/059,373),

v.

LUMIGEN, INC.
(Hashem Akhavan-Tafti, Zahra Arghavani
Renuka Desilva and Kumar Thakur),

Senior Party
(Patent 5,721,370).

Patent Interference No. 104,459

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

McKelvey, Senior Administrative Patent Judge

ORDER DENYING REQUEST FOR DISCOVERY

LUMIGEN MISCELLANEOUS MOTION 1 (Paper 53) seeks relief under
37 CFR § 1.639(c) (for testimony and discovery) and under 37 CFR

§ 1.687(c) (for additional discovery). Tropix has opposed (Paper 54) and Lumigen has filed a reply (Paper 56).

The motion is denied-in-part and dismissed-in-part.

A. Background

Lumigen has indicated its intent to file a preliminary motion for judgment (37 CFR § 1.633(a)) alleging inequitable conduct on the part of Tropix.

Lumigen also has indicated its intent to submit proof that the Tropix inventors derived (35 U.S.C. § 102(f)) certain subject matter from the Lumigen inventors through employees of Bayer Corporation. Lumigen has been authorized to present derivation proofs concurrently with its preliminary motions.

1. Derivation

To establish derivation, a party must show a conception prior to an opponent and a communication to the opponent prior to the opponent's conception. See Price v. Symsek, 988 F.2d 1187, 1190, 26 USPQ2d 1031, 1033 (Fed. Cir. 1993) (to prove derivation, a party must establish prior conception of the claimed subject matter and communication of the conception to the opponent); Hedgewick v. Akers, 497 F.2d 905, 908, 182 USPQ 167, 169 (CCPA

¹ A preliminary motion may not be based on derivation from an opponent. 37 CFR § 1.633(a)(2).

1974) (same). See also Stelos Co. v. Hosiery Motor-Mend Corp.
295 U.S. 237 (1935).

According to Lumigen, the Lumigen inventors communicated an invention to employees of Bayer Corporation who in turn communicated the invention to Tropix inventors. Further according to Lumigen, the Bayer-Tropix communication occurred on or about 17 December 1996 during conversations between (1) Bayer Corporation employees Andrew Klawitter and Robert Parnell and (2) Tropix inventor Irena Bronstein and Tropix employee Nancy Watters.

Lumigen has requested discovery of various documents. The documents are said to be pertinent to proof of communication of a fluorinated dioxetane to the Tropix inventors. The documents sought are set out in requests for documents numbers 1-3, 8-10 and 15-18:

1. All documents relating to any information discussed during a teleconference on or about December 17, 1996 between Dr. Irena Bronstein and Ms. Nancy Watters of Tropix, Inc., and Mr. Andrew Klawitter and Dr. Robert Parnell of Bayer Corporation, including, without limitation, notes taken during that teleconference, and any subsequent memoranda, correspondence, electronic mail messages, etc. relating to any information discussed during that teleconference.

2. All documents generated between about December 17, 1996 and January 28, 1997, relating to a decision to file, and/or reasons for filing the '050 application on January 28, 1997, adding claims purporting to cover fluorinated dioxetane compounds.

3. All documents, including correspondence, sent to or from Tropix and the Oblon firm^[2] relating to the reasons for filing, and/or the filing of, the '050 application.

8. Any invention disclosures^[3] or similar documents created prior to January 28, 1997, evidencing conception or relating to the subject matter claimed in any claim of the Tropix '050 application or the '373 application which calls for fluorine on the R location of the structural formula depicted.

9. All documents relating to the origin of, and/or showing the structural formulas depicted in each of the following claims: claims 4 and 6 of the '133 patent (LX-5007, i.e., '050 application claims 40 and 42), and claim 41 (now cancelled) and claim 42 of the '373 application (LX-5001, LX-5002), which documents were generated prior to initial presentation of each such claim during prosecution.

² At one time, the "Oblon" firm represented Tropix and its inventor Bronstein.

³ Since we are otherwise denying discovery, we do not reach any issue of attorney-client privilege with respect to invention disclosures requested by Lumigen. See In re Spalding Sports Worldwide, Inc., ___ F.3d ___, ___ USPQ2d ___, Misc No. 595 (Fed. Cir. Feb. 11, 2000) (an invention record constitutes a privileged communication, as long as it is provided to an attorney for the purpose of securing primarily legal opinion, or legal services, or assistance in a legal proceeding).

10. All documents generated on or before November 3, 1997, relating to a decision to file and/or the reasons for filing an "Amendment, 37 C.F.R. § 1.312" filed on November 3, 1997 in the '050 application (LX-5019), adding claims purporting to cover fluorinated dioxetane compounds.

15. All documents created or generated between December 17, 1996 and April 14, 1998, relating to any analysis of whether any of claims 37-42 presented during prosecution of the '050 application, and/or any of claims 37-42 presented during prosecution of the involved '373 application, were described in the disclosure of prior application 619,526 filed January 18, 1991, and/or complied with the first paragraph of 35 U.S.C. § 112.

16. All documents created or generated on or after December 17, 1996 which mention one or more of Bayer Corporation, Andrew F. Klawitter, or Robert D. Parnell, by name, initials or abbreviation.

17. All testimony of Dr. Irena Bronstein and Ms. Nancy Watters given in the Watters litigation⁴ by deposition or at a hearing.

18. All documents relating to the Watters litigation, other than those requested in Request No. 17, including testimony, production documents and pleadings, which relate

⁴ Watters litigation is a reference to Watters v. Tropix, Civil Action 98-1212 in the Middlesex Superior Court in the Commonwealth of Massachusetts.

to or mention Bayer Corporation, Andrew F. Klawitter or Robert G. Parnell, by name, initials or abbreviation.

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Lumigen contends in its motion for discovery that it has established a prima facie case of derivation (motion, page 22). Nevertheless, Lumigen states (motion, page 23):

However, to supplement the proofs now in hand, and/or to assist in the cross-examination of any witnesses proffered by Tropix on the issue of derivation at the June 12-13, 2000 evidentiary hearing^{5]} Lumigen seeks additional discovery *** in the form of a limited number of reasonably framed documents requests.

Whether a party is entitled to "additional discovery^{6]} under 37 CFR § 1.687(c) [Rule 687(c)] is discretionary with the board. Cochran v. Kresock, 530 F.2d 385, 396, 188 USPQ 553, 561 (CCPA 1976) (interpreting former 37 CFR § 1.287(c) (1984), the predecessor to Rule 687(c))^{7]}. To be entitled to additional

^{5]} On the issue of derivation, all cross-examination will take place in a trial setting at the board in Arlington, Virginia, over which at least one administrative patent judge assigned to the Trial Section will preside.

^{6]} "Additional discovery" is a term of art in interference practice and is discovery to which a party may be entitled under *** [Rule 687(c)] in addition to discovery to which the party is entitled as a matter of right *** under other rules governing interferences. 37 CFR § 1.601(a).

^{7]} The scope of discovery under Rule 687(c) was intended to be the same as that under former Rule 287(c). Notice of Final Rule, 49 Fed. Reg. 48416, 48417 (col. 2) (Dec. 12, 1984) ("[t]he scope of the additional discovery would be the same as under current practice.").

discovery, a party must establish that the interest of justice requires ordering the discovery sought.

If Lumigen has made out a prima facie case of derivation, as it asserts in its motion, then it is somewhat difficult to understand why additional discovery is needed at this time to "supplement" Lumigen's proofs in hand. Accordingly, it would not be in the interest of justice to require Tropix at this time to produce the documents requested. Compliance with discovery can be expensive for the party required to produce discovery. In this case, there is no apparent reason why discovery is needed, if as Lumigen asserts, it has made out a prima facie case of derivation. Under the facts of this case, ordering discovery would be inconsistent with the proposition that the rules should be interpreted to secure a just, speedy and inexpensive determination of interferences. 37 CFR § 1.601.

Lumigen also says that it seeks discovery to be prepared for cross-examination of any witness Tropix may call. At the outset, since Tropix has yet to indicate whether it will rely on the testimony of any witness, there is no certainty that there will be cross-examination. Furthermore, preparation for cross-examination is not per se a sufficient reason to authorize discovery in interference cases. Compare Schubert v. McKernan, 188 USPQ 496, 499 (Bd. Int. 1975) (applying former 37 CFR § 1.287(c)).

The Lumigen requests for documents are typical of requests under the Federal Rules of Civil Procedure. Recently, we have observed an increased number of what we would characterize as routine additional discovery requests which seem to be patterned after discovery which may be available under the Federal Rules of Civil Procedure. We perceive that there is a recently developed assumption on the part of the patent bar that Federal Rules of Civil Procedure discovery somehow is in vogue in interference cases before the board.

We believe it worthwhile to re-emphasize that additional discovery under Rule 687(c) is not discovery under the Federal Rules of Civil Procedure. See Discovery before the Board of Patent Interferences, 58 J. Pat. Office Soc'y 186, 193-194 (1976), citing Frilette v. Kimberlin 508 F.2d 205, 211, 184 USPQ 266, 270 (3d Cir. 1974) (in banc) (Patent Office discovery not as liberal as the Federal Rules of Civil Procedure) and Sheehan v. Doyle, 513 F.2d 895, 898 n.4, 185 USPQ 489, 491 n.4 (1st Cir. 1975). The CCPA best said it when it noted that the additional discovery rule "does not bestow the right to discovery of unlimited scope." Cook v. Dann, 522 F.2d 1276, 1276, 1888 USPQ 175, 176 (CCPA 1975).

With respect to the issues of derivation and priority, it should be manifest to all that in all but the most unusual cases, the "evidence" of derivation and priority is in the hands

of the party with the burden of proof. As applied to the facts of this interference, it is Lumigen which knows (1) when and where its inventors conceived and precisely what was conceived and (2) when and how that conception was communicated to Tropix.

If and when Tropix indicates that it will rely on the testimony of witnesses, Lumigen will be entitled to obtain discovery under 37 CFR § 1.687(b). Lumigen worries that Tropix may not be able to produce any Rule 687(b) discovery in Arlington, Virginia, where any evidentiary hearing may take place. We are not as concerned as Lumigen about any inability of Tropix to produce needed documents. Tropix is on notice of documents which Lumigen may seek during cross-examination by virtue of Lumigen's requests 1-3, 8-10 and 15-18. Tropix would be well advised to have those documents available in the event needed in Arlington, Virginia, to comply with any Lumigen Rule 687(b) request which might be granted at the evidentiary hearing. Moreover, immediately prior to the hearing, each party should serve a list of possible documents which it might seek under Rule 687(b) at the evidentiary hearing. Failure to serve a list may be a basis for denying a Rule 687(b) request. Failure of a party to have a document identified in an opponent's list may be a basis for inferring that the document contains information which is not favorable to the position of the party who does not produce the document.

2. Inequitable conduct

Inequitable conduct is becoming altogether too routine in interference cases. The statute (35 U.S.C. § 135(a)) gives the board jurisdiction over priority and patentability. A plausible argument can be made that inequitable conduct is neither priority nor patentability; rather, inequitable conduct is an equitable issue. See Gardco Mfg. v. Herst Lighting Co., 820 F.2d 1209, 1212, 2 USPQ2d 2015, 2018 (Fed.Cir. 1987) (defense of inequitable conduct is equitable in nature). We decline at this time to resolve the argument. Rather, at this time we exercise our discretion to determine when inequitable conduct may be raised.

It is plain on the record that numerous preliminary motions raising patentability will be filed by both parties. If an appropriate number of preliminary motions are granted and it turns out that all of the Tropix claims are unpatentable, then inequitable conduct becomes moot. If some Tropix claims survive the preliminary motion phase, Tropix may still lose on priority, in which case all claims corresponding to the count or counts become unpatentable to Tropix under 35 U.S.C. § 102(g). In this case, we are inclined to authorize a preliminary motion based on inequitable conduct to be filed, if at all, no earlier than a date after a decision on preliminary motions. Accordingly, there

is no need to authorize discovery or testimony on the issue of inequitable conduct at this time.

A discussion on whether, and if so when, additional discovery under Rule 687(c) and discovery and/or testimony under Rule 639 may be appropriate will best take place during a conference call to set the times for taking action during the priority testimony phase of the interference.

B. Order

Upon consideration of Lumigen Miscellaneous Motion 1, and for the reasons given, it is

ORDERED that the additional discovery requested under Rule 687(c) in connection with derivation is denied.

FURTHER ORDERED that the motion is otherwise dismissed.

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| FRED E. McKELVEY, Senior |) | |
| Administrative Patent Judge |) | |
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| JAMESON LEE |) | |
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