

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

Paper 29

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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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SHAU-TARNG LEE,

Junior Party,  
(Patent 5,667,728),

v.

[\*\*\*] McINTYRE [\*\*\*],

Senior Party  
(Application [\*\*\*]).

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Patent Interference No. 104,461

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

McKelvey, Senior Administrative Patent Judge

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<sup>1</sup> This opinion is being published during the pendency of an interference. Pursuant to 37 CFR § 1.14(d)(2), an applicant involved in the interference objected to publication unless certain material is deleted from the opinion. The material has been deleted as indicated by [\*\*\*]. Identification of counsel has also been withheld. The complete opinion may be published when the interference is terminated since a patent is involved in the interference and the interference file becomes public at when the interference is terminated. 37 CFR § 1.11(e).

## ORDER AUTHORIZING SUPPLEMENTAL PRELIMINARY MOTION PAPERS

The interference is before a Trial Section Motions Panel for consideration of two issues. The first issue is whether Lee has discharged an order to show cause why judgment should not be entered against it. The second issue is whether supplemental evidence and briefing should be authorized in connection with a preliminary motion filed by McIntyre to substitute proposed Count 2 for Count 1.

### A. Order to show cause

#### 1. Background

The interference involves a Lee patent and a McIntyre application. There came a time during the interference when times were set for taking action during the preliminary motion phase of the interference (Paper 17). TIME PERIOD 1 within which preliminary motions and preliminary statements were due was set for 21 January 2000.

On 20 January 2000, McIntyre timely served and filed a preliminary MOTION TO REDEFINE INTERFERING SUBJECT MATTER, specifically to substitute proposed Count 2 for Count 1 (Paper 19). On the same day, McIntyre timely filed its preliminary statement (Paper 20).

During a conference call on 4 February 2000 (Paper 21, page 1), it came to the attention of the board that the

interference file did not contain a preliminary statement by Lee. During the conference call, it was represented by counsel for Lee that a preliminary statement had been filed by fax on 27 January 2000. Lee was ordered to immediately fax a copy of the preliminary statement to the board and counsel for McIntyre.

As of the time of the conference call, Lee was a junior party without having timely filed a preliminary statement. Even if Lee had filed a preliminary statement on 27 January 2000, the preliminary statement would not have been timely. Accordingly, Lee was placed under an order to show cause why judgment should not be entered against it (Paper 21).

Lee faxed a copy of its preliminary statement to the board on 4 February 2000. The preliminary statement contained a certificate of mailing indicating that it was being transmitted to the board via fax on 31 January 2000 (not 27 January 2000 as had been represented during the conference call).

In due course, Lee filed a response (Paper 26) to the order to show cause. It is alleged in the response that Lee "was mistakenly of the opinion that \*\*\* [a] Settlement Agreement \*\*\* [said to have] been reached in principle between the parties \*\*\* would take the place of and supplant this Interference proceeding" (Paper 26, page 2). According to counsel for Lee, it was not until the conference call on 4 February 2000 that counsel

for Lee understood that the settlement agreement did not suspend the requirement for filing a preliminary statement.

## 2. Discussion

A junior party's failure to timely file a preliminary statement can have serious consequences. Without a preliminary statement, there is no basis upon which a junior party can prevail on the issue of priority. If the junior party likewise files no preliminary motion, as occurred in this case, then the junior party is exposed to entry of judgment against it.

We believe that a party in an interference is well advised not to assume that because settlement may have been reached that it need not comply with times for taking action. Rather, the party should either (1) comply with times set in the interference or (2) request, or have its opponent request, entry of an adverse judgment. In no case should a junior party assume that an agreement "in principle" to settle somehow excuses the junior party from filing a preliminary statement.

In this interference, Lee ultimately filed a preliminary statement on 4 February 2000 (Paper 22). At that time, the only matter pending before the board was McIntyre's preliminary motion. An opposition had not yet been filed given that oppositions were due on or before 11 February 2000. McIntyre did

not serve its preliminary statement having not received a preliminary statement from Lee.

While the case demonstrates that Lee did not pay close enough attention to the times for taking action, it is manifest that McIntyre did not suffer any actual prejudice by Lee's untimely filing of its preliminary statement.

In light of the lack of actual prejudice, and our being convinced that counsel for Lee is not likely to overlook in the future a date for filing preliminary statements, we deem the order to show cause to have been discharged.

While we have excused Lee's failure to timely file a preliminary statement in this particular case, we wish to emphasize the fact that involvement in settlement negotiations, and even a high likelihood that settlement may occur, under no circumstances excuses a party from meeting deadlines set by the board. We make this point because the activities which took place in this case are not a model for future behavior in other cases. Compare Key Pharmaceuticals v. Hercon Laboratories Corp. 161 F.3d 709, 715-16, 48 USPQ2d 1911, 1916 (Fed. Cir. 1998) and Hockerson-Halberstadt v. Converse Inc. 183 F.3d 1369, 1374 (Fed. Cir. 1999). We may not be so charitable after this opinion is published.

3. Order

Upon consideration of the order to show cause (Paper 21), Lee's response thereto (Paper 26), McIntyre's opposition (Paper 27) and Lee's reply (Paper 28), it is

ORDERED that the order to show cause is discharged.

FURTHER ORDERED that, at this time, a judgment shall not be entered against Lee.

**B. Preliminary motion to substitute a new count**

1. Background

As noted earlier, the interference involves a patent of Lee and an application of McIntyre.

The subject matter of the count involves a blowing agent for making expanded polyolefin foams.

a.

Claim 1 of the Lee patent reads as follows (emphasis added):

A blowing agent for expanding an extrudable, expandable polyolefin foam product, said blowing agent comprising ethane and a different alkane selected from the group consisting of C<sub>1</sub>, C<sub>2</sub>, C<sub>3</sub>, C<sub>4</sub>, C<sub>5</sub>, and C<sub>6</sub> hydrocarbons and mixtures thereof, said ethane being present in said blowing agent in an amount of at least about 40 percent by weight based upon the total weight of said blowing agent.

An understanding of the scope of claim 1, however, requires a consideration of Lee claim 2, which reads (emphasis added):

The blowing agent of claim 1 wherein said  $C_2$ ,  $C_3$ ,  $C_4$ ,  $C_5$ , and  $C_6$  alkanes are selected from the group consisting of methane, fluorinated ethane, propane, fluorinated propane, n-butane, isobutane, the pentanes, the hexanes, and mixtures thereof.

b.

[\*\*\*]

c.

Count 1, the sole count, reads:

A composition of matter according to claims 1 or 6 of Lee '728,

or

a composition of matter according to claims 12 or 21 of McIntyre [\*\*\*].

As is readily apparent, Count 1 includes at least the subject matter of Lee claim 1 and McIntyre claim 21. Not so apparent, is the scope of those two claims, and hence, the scope of Count 1.

(1)

The terms "hydrocarbon" and "alkane" have definite meanings in organic chemistry. A hydrocarbon is "[a] compound consisting

of carbon and hydrogen." Hackh's Chemical Dictionary page 418 (3d ed. 1944). An "alkane" is "[a] group of aliphatic hydrocarbons,  $C_nH_{2n+2}$ ; cf. the methane series." Id. at 32.

In our opinion, the words "alkane" and "hydrocarbon" in Lee claim 1 are ambiguous. In the context of the specification and certain dependent claims, the word "alkane" in Lee claim 1 seemingly cannot really mean "aliphatic hydrocarbon" and the word "hydrocarbon" seemingly cannot really mean hydrocarbon. Rather, both terms include fluoro-substituted hydrocarbons, i.e., compounds having carbon, hydrogen and fluorine atoms. One need only consult the specification (col. 7, lines 29-39) and Lee dependent claim 2 to confirm the meaning of alkane and hydrocarbon as used in Lee claim 1. Since Lee dependent claim 2 should be construed to include all the limitations of Lee independent claim 1, it follows that certain fluoro-substituted alkanes fall within the scope of Lee claim 1.

Accordingly, a proper construction of the scope of Lee claim 1 is as follows:

A blowing agent for expanding an extrudable, expandable polyolefin foam product, said blowing agent comprising ethane and a different alkane or fluoro-substituted alkane selected from the group consisting of  $C_3$ ,  $C_4$ ,  $C_5$ , and  $C_6$  hydrocarbons and  $C_2$  and  $C_3$  fluoro-substituted hydrocarbons and mixtures thereof, said ethane being present in said blowing agent in an amount of at least



about 40 percent by weight based upon the total weight of said blowing agent.

We wish to emphasize that we have not read limitations from the specification into Lee claim 1. Rather, we simply have construed Lee claim 1 in light of the specification and Lee dependent claim 2.

(2)

[\*\*\*]

## 2. Discussion

### a.

We now come to the sole preliminary motion filed in the interference. McIntyre has moved to substitute proposed Count 2 for Count 1. 37 CFR § 1.633(c)(1) [Rule 633(c)(1)]. In order to succeed on its motion, McIntyre was required to comply with the provisions of 37 CFR § 1.637(c)(1) [Rule 637(c)(1)], which as applied to the facts of this case reads:

(c) A preliminary motion under § 1.633(c) shall explain why the interfering subject matter should be redefined.

(1) A preliminary motion seeking to \*\*\* substitute a count shall:

(i) Propose each count to be \*\*\* substituted.

\*\*\*

- (iv) Designate the claims of any patent involved in the interference which define the same patentable invention as each proposed count.
- (v) Show that each proposed count defines a separate patentable invention from every other count proposed to remain in the interference.

McIntyre's proposed Count 2 is identical to McIntyre claim 21. According to its preliminary motion, McIntyre has complied with all relevant requirements of Rule 637(c)(1). A close reading of Rule 637, as a whole, will show that McIntyre did not meet all the requirements.

McIntyre did propose a new count. Rule 637(c)(1)(i). McIntyre sought to have all the Lee patent claims designated as corresponding to proposed Count 2. Rule 637(c)(1)(iv). Indeed, all of the Lee patent claims include the subject matter of proposed Count 2. Accordingly, if McIntyre were to prevail on priority on the basis of proposed Count 2, all the Lee claims would be unpatentable. 35 U.S.C. § 102(g). McIntyre was not required to show that proposed Count 2 is patentably distinct for Count 1 given that proposed Count 2 was to be substituted from Count 1. Rule 637(c)(1)(v).

Overlooked by McIntyre is the requirement of Rule 637(c) that a moving party "shall explain why the interfering subject

matter should be redefined." Basically, McIntyre was under some obligation to explain why the count should be made narrower than a Lee claim to be designated as corresponding to the count.

b.

Lee's opposition to the McIntyre preliminary motion also misses the mark. According to Lee, the count should be sufficiently broad to encompass the broadest corresponding patentable claim of each party (Paper 25, page 2). In the abstract, it may be difficult to quarrel with the argument made by Lee. The devil is in the details and it should be manifest to all that there is noper se rule that the count ultimately must be as broad as the broadest patent claim designated as corresponding to the count. During the course of an interference, a count may be narrowed to exclude patentable subject matter within the scope of a claim designated as corresponding to the count where the claim is directed to more than one patentable invention.

In support of its argument, Lee cites and relies on Heymes v. Takaya, 6 USPQ2d 1448 (Bd. Pat. App. & Int. 1988). According to Heymes:

[w]e agree with Takaya that \*\*\* [it] is entitled to a count which is broad enough to encompass Takaya's broadest patentable claim which is designated as corresponding to the count. Indeed, Takaya's position

is a fundamental principle in interference practice, as is set forth in the MPEP, § 2309.01 "Formulation of Counts", where three principles are set forth for the formulation of counts. The second principle reads as follows:

A count should normally be sufficiently broad as to encompass the broadest corresponding patentable claim of each of the parties.

6 USPQ2d at 1450.

For a variety of reasons, we disagree with, and decline to follow, Heymes which in any event is not binding precedent of this board.

Initially, we note the MPEP states "normally." Hence, even under the then existing MPEP provisions, there was per se rule that a count must be as broad as the broadest patentable claims designated as corresponding to the count.

The Heymes panel seems to have overlooked the word "normally" in the language used in the MPEP in holding that "Takaya \*\*\* is entitled to a count which is broad enough to encompass Takaya's broadest patentable claim which is designated as corresponding to the count." It appears that Lee has also given the MPEP provision too narrow a reading.

The relevant regulations make it manifest that Heymes and Lee overstate the applicable principles. Rule 606 [37 CFR § 1.606] includes the following (emphasis added):

At the time an interference is initially declared (§ 1.611), a count shall not be narrower in scope than any application claim that is patentable over the prior art and designated to correspond to the count or any patent claim designated to correspond to the count. Any single patent claim designated to correspond to the count will be presumed, subject to a motion under § 1.633(c), not to contain separate patentable inventions.

It is only at the time that an interference is declared that the count will be as broad as the broadest patentable claim of an application designated as corresponding to a count and as broad as the broadest claim of a patent designated as corresponding to the count.

In the Notice of Final Rule, Patent Interference Proceedings, 40 Fed. Reg. 48416, 48420 (Dec. 12, 1984), the Commissioner notes:

Under § 1.606, at the time an interference is declared between a patent and an application, a count would not be narrower in scope than any patent claim which corresponds to the count. Thus, a patent claim would be presumed, subject to a motion under § 1.633(c), not to embrace "separate patentable inventions."

In this case, the broadest Lee patent claim and McIntyre application claim were designated as corresponding to Count 1. Here, however, McIntyre apparently seeks to overcome the

presumption that the initial count is limited to a single patentable invention. Accordingly, the count should be narrowed only if McIntyre can establish that Lee claim 1 is directed to more than one separate patentable invention (37 CFR § 1.601(n)).

In this respect, attention is direct to the Notice of Final Rule, 49 Fed. Reg. at 48421, wherein the following two examples are provided (bold added):

Example 17: It will be the practice of the PTO under § 1.606 to initially declare interferences with counts which are identical to or broader than patent claims which correspond to the counts. A single patent claim would be presumed, subject to a motion under § 1.633(c), not to define separate patentable inventions. **Patent G** contains claims 1 (Markush group of benzene or chloroform), 2 (benzene), and 3 (chloroform). **Application AA** contains patentable claim 33 (benzene). If an interference is declared, initially it would be presumed by the PTO, subject to a later motion under § 1.633(c), that benzene and chloroform define the same patentable invention. There would be one count (Markush group of benzene or chloroform). Claims 1, 2, and 3 of **patent G** and claim 33 of **application AA** would be designated to correspond to the count. If a party believes benzene and chloroform define separate patentable inventions, that party could file a motion under § 1.633(c) to redefine the count and the claims corresponding to the counts.

Example 18: **Patent H** contains claims 1 (Markush group of benzene or chloroform), 2 (benzene), and 3 (chloroform). **Application AB** contains patentable claims 11 (Markush group of benzene or chloroform), 12 (benzene), and 13 (chloroform). Benzene and chloroform initially would be presumed, subject to a motion under § 1.633(c), to define the same patentable invention, because they are recited as a Markush group in a single patent claim. If an interference is declared, there would be one count (Markush group of benzene or chloroform). Claims 1, 2, and 3 of **patent H** and claims 11, 12, and 13 of **application AB** would be designated to correspond to the count. If a party believes benzene and chloroform define separate patentable inventions, the party could move under § 1.633(c) to substitute a count (benzene) for (Markush group of benzene or chloroform) and to add a count (chloroform).

The scope of the count determines the admissible evidence on the issue of priority. Case v. CPC International, Inc., 730 F.2d 745, 749, 221 USPQ 196, 199 (Fed. Cir. 1984) (count determines scope of relevant evidence on issue of priority) Squires v. Corbett, 560 F.2d 424, 433, 194 USPQ 513, 519 (CCPA 1977) (count is merely a vehicle for contesting priority and determines what evidence is relevant on the issue of priority). Lee does not maintain that its best priority proofs are outside the scope of McIntyre claim 21, but otherwise within the scope of Count 1.

Relevant to the issue in this case is a discussion in a decision of the Commissioner, reproduced in part in Godtfredsen v. Banner, 598 F.2d 589, 592, 202 USPQ 7, 10 (CCPA 1979):

Where, as here, the parties both disclose the same three species, that fact does not justify including those species in a single count as member of a Markush group if the Examiner has determined that the three species are patentably distinct inventions. If such a count were permitted, then the party who proved the earliest date of invention as to any one of the members of the group would be awarded priority as to the entire count, i.e., as to all three members. It is not considered that such a result would be consonant with the primary purpose of an interference or with the intent of 35 U.S.C. 135, since there would be no determination of priority as to each of the common [patentably distinct] inventions claimed by the parties [emphasis in original].<sup>2</sup>

Theeuwes v. Bogentoft, 2 USPQ2d 1378 (Comm'r Pat. 1986), not cited by Lee, is not to the contrary. Nothing in Theeuwes suggests that a count cannot be narrowed so as to be limited to a single patentable invention and thereby exclude from its scope a second patentably distinct invention. The same is true of the Commissioner's decision in Davis v. Uke, 27 USPQ2d 1180, 1186-87

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<sup>2</sup> In our view, Heymes is not consistent with the views expressed in the Commissioner's decision as reproduced in Godtfredsen.



(Comm'r Pat. & Tm. 1993). The count mentioned in the Commissioner's Davis opinion was an original count<sup>3</sup>.

c.

The difficulty with the McIntyre preliminary motion and the Lee opposition is that neither come to grips with the argument which is most relevant under the circumstances. Why should the count be limited? Or, in the words of Rule 637(c), McIntyre has not explained "why the interfering subject matter should be redefined" and Lee has not explained why it should not be redefined.

[\*\*\*]

d.

It is not clear to us that the language "explain why the interfering subject matter should be redefined" in Rule 637(c) has previously been construed in a published opinion. Accordingly, in an effort to avoid denying McIntyre's preliminary motion on a technicality, we elect to permit McIntyre to supplement its preliminary motion and to permit Lee to supplement its opposition. The issue to be addressed is whether Lee's claim 1 defines more than one separate patentable invention.

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<sup>3</sup> In the event a count is narrowed during an interference and a patentee does not prevail on priority, presumably the patentee could seek to recoup the non-involved subject matter claimed in its patent through reissue.

If it does, then perhaps the McIntyre preliminary motion could be granted. On the other hand, if McIntyre cannot sustain its burden of proof, then the McIntyre preliminary motion should be denied.

3. Order

Upon consideration of McIntyre's MOTION TO REDEFINE INTERFERING SUBJECT MATTER (Paper 19), it is

ORDERED that on or before **14 April 2000**, McIntyre is authorized to supplement its preliminary motion.

FURTHER ORDERED that on or before **10 May 2000**, Lee is authorized to supplement its opposition to McIntyre's preliminary and supplementary preliminary motion.

FURTHER ORDERED that on or before **24 May 2000**, McIntyre may file a reply.

FURTHER ORDERED that the preliminary motion, as supplemented, will be decided without a hearing.

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BRUCE H. STONER, Jr., Chief )  
Administrative Patent Judge )

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FRED E. MCKELVEY, Senior )  
Administrative Patent Judge )

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RICHARD E. SCHAFER )  
Administrative Patent Judge )

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JAMESON LEE )  
Administrative Patent Judge )

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RICHARD TORCZON )  
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