

The opinion in support of the decision being entered today is not binding precedent of the Board.

Paper 89

Filed by: Interference Trial Section Merits Panel
Box Interference
Washington, D.C. 20231

Filed
15 May 2003

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

RANDOLPH NOELLE

Junior Party,
(Application 08/742,480),

v.

RICHARD J. ARMITAGE,
WILLIAM C. FANSLow, and MELANIE K. SPRIGGS

Senior Party,
(Application 09/322,021).

Patent Interference No. 104,724

Before: TORCZON, LANE, and NAGUMO, Administrative Patent Judges.
NAGUMO, Administrative Patent Judge.

ORDER ENTERING FINAL JUDGMENT AGAINST NOELLE

The question before the merits panel is, must this interference proceed to a determination of priority after it has been determined that the junior party applicant is not entitled to any claims, now or in the future, to subject matter within the scope of the count in the interference? Given the procedural posture and the particular facts of this case, we answer the question in the negative.

Part A. Background

The following findings are supported by the preponderance of evidence in the record.

1. During Time Period 1 of this interference, Armitage filed Preliminary Motion 1 under 37 CFR § 1.633(a) for judgment, moving *inter alia* that all of Noelle's claims corresponding to the count lacked an enabling disclosure under 35 U.S.C. § 112, first paragraph. (Paper 25.)

2. Noelle opposed this motion on the merits. (Paper 37.)

3. During Time Period 2 of this interference, Noelle did not file any contingent motion under 37 CFR § 1.633(i) to redefine the interfering subject matter, e.g., by submitting amended claims that would avoid any of the rejections proposed by Armitage's Preliminary Motion 1.

4. On October 28, 2002, a paper styled "JUDGMENT (PURSUANT TO 37 CFR § 1.640)" was mailed in this proceeding. (Paper 63, "Judgment.")

5. In the Judgment, Armitage's preliminary motion 1 was granted in part, in that Noelle's claims 42, 43, 46-48, 50, 54, and 57, all the claims designated as corresponding to the count in this interference, were held unpatentable for lack of an enabling disclosure regarding chimeric monoclonal antibodies to the antigen CD40CR. The remainder of Armitage's preliminary

motion 1 was dismissed, as were Armitage's preliminary motions 2 and 3, and Noelle's miscellaneous motion 1. (Paper 63 at 19.)

6. The Judgment contained the further order that Noelle is not entitled to a patent containing claims 42, 43, 46-48, 50, 54, and 57, and that the Judgment be entered into the file of Noelle's involved application. (Paper 63 at 19-20.)

7. On November 18, 2002, Noelle filed a timely request for reconsideration. (Paper 65.)

8. Noelle argued in its Request for Reconsideration that the Board had erred in its holding of nonenablement. (*Id.*)

a. Noelle did not contest the finality of judgment, nor did it request a schedule to put on a priority case.

9. A paper denying Noelle's request was mailed on February 21, 2003. (Paper 74, hereafter, "Decision on Reconsideration.")

10. On March 26, 2003, Noelle filed a paper directed to interference 104,724 styled "Request to Set Testimony Period for Priority Phase" (hereafter, "Request for Testimony," Paper 75).

a. Prior to filing its Request for Testimony, Noelle did not request or initiate a conference call requesting authorization to file a motion.

b. Noelle's Request for Testimony was filed more than five months after Judgment was issued in this case, and more than

five weeks after the decision on reconsideration was issued in this case.

11. On March 31, 2003, Armitage filed an Opposition to Noelle's Request for Testimony. (Paper 76.)

12. On April 2, 2003, a paper styled "ORDER TO SHOW CAUSE WHY NOELLE'S REQUEST TO SET TESTIMONY PERIOD FOR PRIORITY PHASE WAS NOT TIMELY FILED" was mailed. (Paper 78.)

13. On April 10, 2003, Noelle responded to the Order to Show Cause, urging that it had not recognized either the Judgment or the Decision on Reconsideration as a "Final Decision" in this proceeding, and that it was entitled to a priority phase to resolve the patentability of Armitage's involved claims under 35 U.S.C. § 102(g). (Paper 79 at 8.)

14. On April 16, 2003, a paper styled "ORDER FOR TELEPHONE CONFERENCE TO SET TIMES FOR PRIORITY PHASE" was mailed. (Paper 81.)

a. The Order provided Armitage with an opportunity to file further objections prior to the conference call. (Paper 81 at 7-8.)

15. Armitage filed further objections on April 18, 2003. (Paper 83.)

16. A telephone conference call was held on April 23, 2003, to discuss issues relating to whether a priority phase should be established in this interference. A date was set for junior

party Noelle to file its case-in-chief on priority, and the parties were advised that a determination whether to proceed or whether to terminate this interference would be mailed shortly.

Noelle's arguments

Noelle's fundamental argument in favor of setting a schedule for a priority phase in this interference is that 35 U.S.C. § 135(a) mandates that the Board decide the issue of priority in this interference. (Paper 79 at 11.) According to Noelle, the declaration of the interference, the accorded benefit of its priority date of February 14, 1992, and its preliminary statement, alleging an actual reduction to practice prior to Armitage's benefit date, fairly raise the issue of priority. Noelle maintains that the statute and controlling precedent "require administrative resolution of the issue [of priority]." (Paper 79 at 1.) Noelle argues further, in effect, that it was not given adequate notice that the "Judgment" (Paper 63) or the "Reconsideration" (Paper 74) were Final Judgments terminating the interference. (Paper 79 at 7-10.)

Armitage's arguments

Armitage responds that: the Judgment and the Reconsideration were, by style and content, final judgments, and that Noelle lacks standing to contest priority vis-à-vis Armitage (Paper 83 at 7-10); the issue of priority has not been fully developed or fully raised (*id.* at 10-11); that public interest is consistent

with the prompt issuance of a patent to Armitage (*id.* at 11-13); and Noelle's preliminary statement is defective, so Noelle is not permitted to take testimony on the issue of priority of invention (*id.* at 13-16).

Part B. Discussion

The particular facts of this case, in the context of current procedures in interferences before the Board of Patent Appeals and Interferences, present a situation for which precedent provides no clear answers. All of Noelle's involved claims (i.e., those claims that have been designated as corresponding to the count) have been held unpatentable under 35 U.S.C. § 112, first paragraph, for lack of enablement. Judgment was entered against Noelle (Paper 63), which, on reconsideration requested by Noelle (Paper 65), was maintained. (Paper 74.)

Noelle contends that the Board is compelled by 35 U.S.C. § 135(a) and Federal Circuit precedent to determine the question of priority in this case. Armitage, in contrast, contends that having determined that all of Noelle's involved claims are unpatentable for lack of an enabling disclosure, the Board correctly entered judgment against Noelle. Moreover, Armitage urges that the Board should follow the logical extension of its precedent regarding threshold issues, and halt the proceedings. For the reasons set out *post*, on the facts of this case, we agree

with the outcome urged by Armitage, but we do not subscribe to its rationale.

We emphasize that we do not regard this case as a vehicle to pronounce broad interpretations of the law or our procedures. We have found it useful, however, to review the cases to emphasize that they are not 'on all fours' with this case, and that it is not clear that their holdings apply, nor that their holdings should be applied, to the facts of this case.

Threshold issues

We begin by observing that the term "threshold issue" is best limited to questions involving whether there is an interference to be resolved. Such questions include whether the claims of the parties are drawn to common inventions, i.e., whether or not an interference-in-fact exists, *Case v. CPC Int'l, Inc.*, 730 F.2d 745, 750, 221 USPQ 196, 200 (Fed. Cir. 1984) ("[n]o interference in fact means that there is no interfering subject matter, that Case's patent is no impediment to granting CPC the claims of its application"), or whether an applicant's claim was timely filed under 35 U.S.C. § 135(b). *Berman v. Housey*, 291 F.3d 1345, 1351, 63 USPQ2d 1023, 1027 (Fed. Cir. 2002) (§ 135(b) is "intended to be a statute of repose, limiting the time during which an interference may be declared 'so that the patentee may be more secure in his property right.'") (Citation omitted.) The court distinguished Housey's motion

under § 135(b) as involving a threshold issue, while "Berman's motions [for unpatentability of Housey's claims over the prior art], on the other hand, involved a 'mere' patentability issue." *Id.* at 1352, 63 USPQ2d at 1028. Armitage's motion, as discussed *post*, has more the character of a "mere" patentability motion, albeit one that we considered first. 37 CFR § 1.640(b), expressly approved by *Berman*. *Id.*

The Board's authority under §§ 6 and 135(a) as amended in 1984

The formation of the Board of Patent Appeals and Interferences removed a major jurisdictional roadblock from interference practice. Prior to the revisions to 35 U.S.C. §§ 6 and 135(a), enacted in 1984, issues of patentability were raised before and decided by a primary examiner. 37 CFR §§ 1.231, 1.237 (1984). If the examiner determined that no involved claims were patentable, the interference was "dissolved," and prosecution of the application might continue. If interfering claims remained, the examiner would return the case to the Board of Interferences. Under the 1984 statute, issues of patentability and priority could be resolved in a single proceeding before the Board rather than in a series of complicated *inter partes* and *ex partes* proceedings.

The Federal Circuit analyzed the import of 35 U.S.C. §§ 6 and 135(a) as follows:

the legislative history of §§ 6 and 135(a) makes clear that these provisions address only what issues the Board is empowered to consider, and thus does not establish any affirmative obligations that it must perform. The legislative history of the Patent Law Amendments of 1984, Pub. L. No. 98-622, 98 Stat. 3383 . . . states that §§ 6 and 135(a) were amended in 1984 'to permit the Board of Patent Appeals and Interferences to consider all patentability issues on [sic] interferences.' 130 Cong. Rec. H10525, H10528 (1984), reprinted in 1984 U.S.C.C.A.N. 5827, 5836 (emphasis added). The use of the word 'permit,' as opposed to terms such as 'compel,' 'require,' or the like, strongly suggests that Congress was not placing any affirmative obligations on the Board, but rather setting forth the scope of its authority in interferences. Section 6 therefore does not require the result sought by Berman.

Berman, 291 F.3d at 1353-54, 63 USPQ2d at 1029. While the court was addressing principally Berman's contention that § 6 requires the Board to determine all questions of priority and patentability, the court's remarks confirm that Congress accorded the Board significant discretion in its consideration of issues within its newly expanded jurisdiction under § 135(a).

Pursuant to the 1984 act, the PTO implemented regulations that permitted involved parties, *inter alia*, to raise issues of no interference-in-fact and patentability before the Board. See 49 Fed. Reg. 48416, 48461 (1984); 37 CFR § 1.633(a), (b) (1985) ("Preliminary Motions"). It came to be the practice, codified in 1995, that most decisions on preliminary motions were deferred to final hearing. 60 Fed. Reg. 14488, 14525 (1995); 37 CFR § 1.640(b) (1995) ("[u]nless an administrative patent judge or

the Board is of the opinion that an earlier decision on a preliminary motion would materially advance the resolution of the interference, decision on a preliminary motion shall be deferred to final hearing."). The PTO explained that this procedure would advance resolution of interferences where settlement was not likely, while parties could still inform the administrative patent judge that a decision on a particular motion would assist the settlement process in a given case. *Id.* at 14509. Under these procedures, the parties would conduct and present their priority cases prior to decisions on the patentability of involved claims, and, indeed, often prior to final decisions on the definition of the count and the identity of the corresponding claims.

It was in this procedural context that the Federal Circuit analyzed the Board's discretion to consider issues of priority and patentability in interferences, reasoning that deciding all the issues "fully and fairly raised during the interference proceeding whether related to patentability or priority, is in full accord with congressional intent that PTO procedures be simplified as well as improved." *Perkins v. Kwon*, 886 F.2d 325, 328, 12 USPQ2d 1308, 1310 (Fed. Cir. 1989); *see also Rexam Indus. Corp. v. Eastman Kodak Co.*, 182 F.3d 1366, 1369, 51 USPQ2d 1457, 1459 (Fed. Cir. 1999) ("We have consistently applied the rationale of *Perkins* to conclude that priority issues that have

been fully developed and presented to the Board for decision in interference proceedings should be decided by the Board even if a count is deemed unpatentable to one party.") (citations omitted, underscore added.)

Berman clarified the holding of *Perkins* and other cases often cited as requiring that the Board reach a given issue in an interference, stating:

Those cases . . . do not hold that *all* issues relating to patentability that are fairly raised in an interference *must* be addressed by the Board. Rather, those cases stand for the proposition that if, in a properly declared interference, an issue of priority or patentability is fairly raised and fully developed on the record, then the Board has the *authority* to consider that issue even after the Board determines that one party was not entitled to its claims.

Berman, 291 F.3d at 1352, 63 USPQ2d at 1028 (emphasis original).

Regarding *Perkins*, the court explained that

Perkins therefore held only that the Board had the authority to decide the priority issue even after it determined that Kwon's interfering claims were unpatentable, and thus was not presented with the question whether the Board is compelled to address all fairly raised issue of priority and patentability in every instance. [*Id.*]

Thus, *Perkins* authorizes but does not compel the Board to address priority, even if patentability is dispositive, and vice-versa.

Current procedures

In the current practice of the Board in interferences, which was followed in this case, preliminary motions are decided before setting the schedule for taking testimony and briefing for the

parties' priority cases. The earlier practice had the effect of leaving so many issues underlying the priority case unresolved that the parties had to present multiple priority cases in the alternative, accounting for many contingencies. In too many cases, that practice resulted in unnecessarily increased costs to the parties and lengthened proceedings, exactly the opposite of the goals of the legislative reform of 1984. The current practice does increase costs early in the proceeding because preliminary matters are usually fully developed and resolved before proceeding to priority. However, the resulting greater clarity of the issues in the priority phase usually reduces the overall cost and duration of the interference. A by-product of the current process is that a dispositive patentability issue is often reached before priority has been developed beyond a rudimentary pleading (that is, the filing of the preliminary statement alleging a date of earliest proof of invention). The parties have not yet expended time and resources preparing and briefing their cases on priority. In this posture, the question is not whether to decide an already-briefed issue, but whether there is sufficient justification to subject the party with patentable claims to the expenses of time and resources required for a priority case.

We begin with a consideration of the effect of having no patentable claims at this juncture. Other considerations include

the status and relative positions of the parties, whether the interference was provoked, and if so, in what way, and the actions of the parties in the interference, and to what extent they were constrained by the proceedings in the particular case.

Prior to the declaration of an interference, the absence of patentable claims corresponding to the count bars the declaration of an interference. 37 CFR § 1.603 ("Before an interference is declared between two or more applications, the examiner must be of the opinion that there is interfering subject matter claimed in the applications which is patentable to each applicant subject to a judgment in the interference."). This practice is essentially unchanged from the practice cited with approval by the Supreme Court:

there is no basis for the proposition that even where an applicant for an interference presents a claim which on its face is unpatentable, a complicated and frequently lengthy factual inquiry into priority of invention must inexorably take place. On the contrary, Rule 201(a), 37 CFR § 1.201(a), defines an interference proceeding as one involving "two or more parties claiming substantially the same patentable invention and may be instituted as soon as it is determined that common patentable subject matter is claimed * * *." (Emphasis supplied.) See *Application of Rogoff*, 46 CCPA 733, 739, 261 F.2d 601, 606, 120 USPQ 185, 188: "The question as to patentability of claims to an applicant must be determined before any question of interference arises and claims otherwise unpatentable to an applicant cannot be allowed merely in order to set up an interference."

Brenner v. Manson, 383 U.S. 519, 528 n.12, 148 USPQ 689, 693 n.12 (1966).

After an interference has been declared, a party may move for judgment that an opponent's claims are unpatentable on issues other than derivation or priority:

[a] motion for judgment against an opponent's claim designated to correspond to a count on the ground that the claim is not patentable to the opponent . . .

37 CFR § 1.633(a). This rule effectively provides a party with the opportunity to request consideration of patentability issues that, had they been raised during *ex parte* prosecution, would have barred declaration of an interference involving its opponent's claims prior to a positive determination of patentability. In addition to providing the opportunity to oppose the motion for unpatentability on the merits, the rules provide a party the opportunity to redefine the count by, e.g., amending its claims, in response to a motion under 37 CFR § 1.633(a), (b), or (g). See 37 CFR § 1.633(i)¹. This rule provides a party with the opportunity to preserve patentable claims to subject matter corresponding to the count, even if the claims present at the declaration of the interference are determined to be unpatentable.

¹ 37 CFR § 1.633(i) reads in relevant part:

When a motion is filed under paragraph (a), (b), or (g) of this section, an opponent, in addition to opposing the motion, may file a motion to redefine the interfering subject matter under paragraph (c) of this section

The scope of a judgment in an interference, and the resulting estoppel, require a party to act to preserve its right to make claims to subject matter related to the count. See 37 CFR § 1.658(c), which reads in relevant part:

A judgment in an interference settles all issues which (1) were raised and decided in the interference, (2) could have been properly raised and decided in the interference by a motion under Section 1.633 (a) through (d) and (f) through (j) or Section 1.634, and (3) could have been properly raised and decided in an additional interference with a motion under Section 1.633(e). A losing party who could have properly moved, but failed to move, under Section 1.633 or 1.634, shall be estopped to take *ex parte* or *inter partes* action in the Patent and Trademark Office after the interference which is inconsistent with that party's failure to properly move

Under this provision, a party cannot present, in a subsequent *ex parte* proceeding, an amended claim that avoids the enablement problem, thereby provoking another interference. The rule accomplishes this by requiring the party to amend its claims to eliminate allegedly unenabled subject matter when the issue is raised. The opportunity to amend claims under 37 CFR § 1.633(i) is limited in duration, and the consequences of failing to do so, and losing the interference, are permanent.

In light of the opportunity to amend claims in response to unpatentability motions, the failure to preserve any claims corresponding to the count in the decision on preliminary motions takes on greater significance, especially before any *inter partes* actions other than a pleading have been taken to establish

priority. The cases, as explained *supra*, confirm that the Board has the authority, but is not compelled, to consider issues of priority or patentability after a dispositive decision has been made or a dispositive action taken. When confronted with a situation at the close of decisions on preliminary motions in which one party has no patentable claims that correspond to the count, at least the following three factors appear to provide guidance on answering the question of whether or not to continue. No one factor is necessarily dispositive in any given case. Which party has been accorded for priority the benefit of the earliest application? What efforts has the party without patentable claims made to preserve patentable claims corresponding to the count? How strong is the evidence that that party has presented supporting its case of prior invention of an embodiment within the scope of the count?

The present interference

In the present case, Noelle, the junior party, and Armitage, the senior party, are both applicants. Armitage, as the senior party, is presumed to have been the first to invent. 37 CFR § 1.657(a). Noelle, as junior party, bears the burden of proving that it was first to invent by a preponderance of the evidence. 37 CFR § 1.657(b), cited as authority in *Brown v. Barbacid*, 276 F.3d 1327, 1333, 61 USPQ2d 1236, 1239 (Fed. Cir. 2002) ("under 37

CFR § 1.657(a) and (b), the ultimate burden of proof always remained on the junior party").

In this case, neither party has copied the claims of the other. This circumstance, in our practice, largely removes the decision for lack of enablement as an equivalent to a "threshold" issue, contrary to *dicta* by the Administrative Patent Judge in the Order for the telephone conference described *supra*.

(Paper 81 at 6.) When one party has the opportunity to copy another's claims in order to provoke an interference, an early determination that there is an inadequate basis in the provoking party's specification for the interfering claims vitiates the provoking party's standing to prosecute the interference. This early look removes the incentive to provoke an interference spuriously. That is not the case here.

Regarding the second factor, we have found that Noelle made no attempt during Time Period 2 of this interference, pursuant to § 1.633(i), to add claims that were supported by its application and that interfered with Armitage's claims; nor did Noelle seek to redefine the count. Armitage raised multiple grounds of unpatentability, and Noelle cannot be faulted for not responding to each one with a contingent motion to amend. However, Noelle chose to seek only broad claims and therefore accepted the correspondingly broad risk that those claims would be found unpatentable. In the conference call, Noelle noted that there

had been no challenge to the enablement of its core invention, and urged that that fact gave strength to its argument that its priority challenge under § 102(g) should go forward. The short answer is that, as long as one patentable interfering claim remained, further issues, including priority, would have been addressed. The absence of efforts to present patentable claims of more limited scope weighs against Noelle.

As for the third factor, at this stage of the proceedings, Noelle has only alleged that it was the prior inventor. Noelle's proffer, in its preliminary statement, consists of two sheets said to be copies of pages from a research notebook. The sheets are neither signed nor witnessed. Nothing on those two pages identifies, by itself, the experiment, the materials, or the results in such a way that, without much more, one could have any basis to say that it shows that the inventor had made an embodiment within the scope of the count. If Noelle retained any patentable claims corresponding to the count, this "notice pleading" would suffice, either to proceed to priority normally, or to provoke an Order to Show Cause why judgment should not be entered against Noelle. Noelle's insistence that the public *might* be harmed by the issuance of a patent to one who was not first to invent (Paper 79 at 13) must be weighed against the unlikelihood, on the present record, that Noelle will prevail, and that the public will gain the benefit of its disclosure.

While not dispositive, we find the scant and debatable evidence supporting Noelle's prior invention developed thus far weighs against a holding that priority has been fully and fairly raised.

Finally, we note Armitage's argument that Noelle has failed to comply with the Standing Order, § 32, which requires a conference call prior to filing a Rule 635 miscellaneous motion. We shall not dismiss Noelle's motion for failure to comply with this order, given its stated understanding that the proceedings were not complete. However, the Board has found conference calls to be extremely useful in the scheduling of actions when the course to be followed is not clear, and particularly when, as here, both parties are represented by experienced and well-prepared counsel. Accordingly, we remind Noelle that conference calls before any action not scheduled are the norm in current interference proceedings before the Board.

In summary, the cumulative weight of the factors in this proceeding favor terminating the interference at this juncture. We emphasize that we do not mean to imply any general rule of decision; each case must be decided on its particular facts.

ORDER

In consideration of the foregoing facts and discussion, it is:

ORDERED that Final Judgment is entered against Noelle;

FURTHER ORDERED that Noelle's authorization to file its principal brief on priority on **June 18, 2003**, is rescinded;

FURTHER ORDERED that judgment on priority as to Count 1, the only count in this interference, is awarded against junior party RANDOLPH NOELLE;

FURTHER ORDERED that Noelle is not entitled to a patent containing claims 42, 43, 46-48, 50, 54, and 57;

FURTHER ORDERED that if there is a settlement agreement, attention is directed to 35 U.S.C. § 135(c) and 37 CFR § 1.661; and

FURTHER ORDERED that a copy of this decision be given a paper number and be entered in the administrative records of Noelle' application 08/742,480 and of Armitage's application 09/322,021.

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|-----------------------------|---|-----------------|
| RICHARD TORCZON |) | |
| Administrative Patent Judge |) | BOARD OF PATENT |
| |) | APPEALS AND |
| SALLY GARDNER LANE |) | INTERFERENCES |
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The opinion in support of the decision being entered today is not binding precedent of the Board.

Paper 92

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UNITED STATES PATENT AND TRADEMARK OFFICE

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RANDOLPH **NOELLE**

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RICHARD J. **ARMITAGE**,
WILLIAM C. FANSLow, and MELANIE K. SPRIGGS

Senior Party,
(Application 09/322,021).

Patent Interference No. 104,724

Before: TORCZON, LANE, and NAGUMO, Administrative Patent Judges.
NAGUMO, Administrative Patent Judge.

DECISION ON NOELLE REQUEST FOR RECONSIDERATION

I.

Noelle has requested reconsideration of our decision (Paper 89) granting Armitage's Preliminary Motion 1, in part, and issuing final judgment. Noelle argues that the decision:

1. Ruled for the first time that the Board had discretion to decline to order a priority phase. (Paper 91 at 2 and 8.)

2. Established a three-part test to decide whether or not to exercise that discretion. (Paper 91 at 2.)
3. Erred in deciding, under part two of the test, that Noelle had not made an effort to preserve a claim to patentable subject matter. More specifically, Noelle urges that the Board overlooked Noelle's claim 45, designated as not corresponding to the count, which in fact corresponds to the count. (Paper 91 at 9-10.)
4. Erred in concluding, under part 3 of the test, that Noelle was unlikely to succeed in proving priority of invention based on its preliminary statement.
(Paper 91 at 11-12.)

We have reconsidered our decision, but will not grant relief.

II.

A.

Our earlier decision considered the proper course of action in this case when it had been determined that the junior party, Noelle, was not entitled to a patent containing any claim designated as corresponding to the count, and that there had been no more than a mere pleading regarding priority in the interference. In this case, in contrast to many cases in the past, at the time of the decision on the preliminary motions, there had been no substantive testimony, cross examination,

evidence, or argument regarding priority. We expressly declined to use this case as a vehicle to pronounce broad interpretations of the law or of our procedures. (Paper 89 at 7, first full paragraph.) The decision to proceed necessarily depends on the facts in each case regarding the status and relative positions of the parties, and their actions, including whether the interference was provoked (not a factor on the facts before us), and the extent to which the parties may have been constrained from taking certain actions by the proceedings. (Paper 89 at 13.)

In this particular case, we found three relevant factors. First, both parties are applicants, and neither copied the claims of the other. The senior party is presumed to have been the first to invent 37 CFR § 1.657(a); Noelle, as the junior party, bears the burden of proving it was the first to invent. (Paper 89 at 16-17.) Second, Noelle made no efforts, beyond opposing Armitage's preliminary motion on the merits, to preserve or present patentable claims corresponding to the count. For example, Noelle did not seek to add, under 37 CFR § 1.633(i), claims that were supported by its application and that interfered with Armitage's claims. (Paper 89 at 17.) Nor did Noelle seek to redefine the interfering subject matter by designating an application claim to correspond to the count, under 37 CFR § 1.633(c). (Paper 89 at 17.) Third, we found that Noelle's

preliminary statement, while sufficient for "notice pleading," offered too scant and debatable a basis to decide that refraining from deciding priority would result in the issuance of a facially invalid patent.

B.

Noelle does not renew its argument that the Board acted contrary to statute and judicial precedent when it determined not to order a priority phase. (Paper 91 at 8-9.) Nor does Noelle argue that the "test" fails to perform its intended function. Rather, Noelle argues only that the Board erred in its evaluation of the second and third factors of its "test." (Paper 91 at 9-12.)

Regarding the second factor, that Noelle made no efforts to preserve or present a patentable claim in response to Armitage's motion for unpatentability, Noelle urges that we overlooked the presence of its claim 45. Noelle argues that claim 45 in fact corresponds to the count, in that it is a species within the scope of Noelle's claim 42, which defines, in part, the count. (Paper 91 at 9-10.) Noelle argues further that Armitage's failure to move to designate claim 45 as corresponding to the count is a concession of the patentability of the subject matter of claim 45, and a concession that Noelle has priority to that invention. (Paper 91 at 10.) Noelle asserts that it has "consistently and diligently pursued claims directed to subject

matter which corresponds to the count," and that it should be entitled to prove a date of invention for the subject matter of claim 45. (*Id.*) Noelle concludes that factor 2 weighs in its favor for presenting a case for priority.¹ (*Id.*)

Regarding the third factor, Noelle urges that the Board improperly treated its preliminary statement as evidence, rather than as a pleading. (Paper 91 at 11.) Moreover, Noelle urges that, having denied Noelle the opportunity to present evidence explaining its showing, the Board was not in a position to appreciate the import of the page of Noelle's research records submitted with its preliminary statement. (Paper 91 at 11-12.) Noelle concludes that the Board misused its preliminary statement, which exists for procedural, rather than evidentiary purposes. (Paper 91 at 12.)

III.

A.

Noelle's argument regarding "the second factor" is not persuasive. First, neither party raised the status of claim 45, which was designated as not corresponding to the count in the

¹ In its summary, Noelle also argues that, while it could have moved to designate claim 45 as corresponding to the count, "the principal onus and motivation for doing so was on Armitage, not Noelle." (Paper 91 at 2.) Noelle argues further that requiring Noelle to bring claim 45 into the interference would require that Noelle be prescient that the Board would grant Armitage's Preliminary Motion 1 for lack of enablement; that the Board would not order a case on priority; and that Noelle's failure to bring the claim in would be adopted as a factor in its decision not to order a priority case. (Paper 91 at 2-3.)

declaration of this interference. (Paper 1 at 5.) We cannot have misapprehended or overlooked a point that neither party argued.

On the merits, it is insufficient to argue, as Noelle has done, that the subject matter of claim 45 is fully encompassed by the count, or, equivalently, that the genus covered by claim 42 includes the species covered by claim 45. Ultimately, a claim corresponds to a count if the claimed subject matter is the same patentable invention as subject matter claimed by the other party that corresponds to the count. 37 CFR § 1.637(c)(3)(ii). It was Noelle's burden, in a timely motion, to demonstrate that the species covered by claim 45 was not patentable over one of Armitage's claims that correspond to the count. Having failed to make such a showing, Noelle's argument must fail.

Noelle's argument is also untimely. Noelle had two opportunities to make its argument regarding claim 45: during TIME PERIOD 1, or during TIME PERIOD 2. Its argument now is belated and unexcused by any argument showing good cause why it was not timely presented. Cf. 37 CFR § 1.645(b)². Moreover, not having raised the status of claim 45 in a preliminary motion, Noelle would be barred from raising the issue at final hearing.

² ("Any paper belatedly filed will not be considered except upon notion [sic: motion] (§ 1.635) which shows good cause why the paper was not timely filed")

37 CFR § 1.655(b)³. Whether Noelle did not notice that claim 45, in its opinion, should correspond to the count, or whether it decided, for its own good reasons, not to contest its designation as not corresponding to the count, it may not, at this late date, relitigate the issue.

Noelle's effort to shift to Armitage the onus of moving to designate claim 45 as corresponding to the count is without merit. Armitage must henceforth labor under the consequences of its 'failure' to move that Noelle's claim 45 be designated as corresponding to the count. 37 CFR § 1.658(c). Armitage has effectively conceded that it has no claim in this interference that could bar a patent containing claim 45 to Noelle. These considerations, however, do not excuse Noelle's 'failure' to take an action it could have taken in this interference.

B.

Noelle's complaint that the Board considered, improperly and inadequately, the merits of its preliminary statement, and used it as an evidentiary, rather than as a purely procedural, matter is also not persuasive. Noelle has misapprehended the point of our discussion of the third factor, which was that if the record thus far developed contained a compelling reason to doubt

³ ("A party shall not be entitled to raise for consideration at final hearing any matter which properly could have been raised by a motion under § 1.633 or 1.634 unless the matter was properly raised in a motion that was timely filed by the party under § 1.633 or 1.634 and the motion was denied or deferred to final hearing").

Armitage's priority, we might have exercised our discretion differently. Noelle is half right in stating that 37 C.F.R. § 1.629(e) bars the use of its preliminary statement as evidence. Rule 629(e) bars the use of a preliminary statement as evidence on behalf of the filer. Consequently, we cannot use Noelle's pleading as evidence against Armitage. In sum, we lack a junior party with interfering claims and evidence of record that Armitage is not senior to Noelle. Finally, Noelle's reliance on 37 C.F.R. § 1.629(d) as a basis for error is curious because the panel looked to Noelle's preliminary statement to see if the attachments provided compelling evidence that Armitage was not senior. To the extent we erred, it was in an effort to reach priority as Noelle wishes. The lack of evidence was but one of several factors in this case that, in total, weighed in favor of awarding judgment against Noelle in this case.

IV

Noelle's request for reconsideration is denied.

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|-----------------------------|---|-----------------|
| SALLY GARDNER LANE |) | BOARD OF PATENT |
| Administrative Patent Judge |) | APPEALS AND |
| |) | INTERFERENCES |
| |) | |
| MARK NAGUMO |) | INTERFERENCE |
| Administrative Patent Judge |) | TRIAL SECTION |

TORCZON, Administrative Patent Judge, concurring.

While I agree with the principal opinion, I write separately to address two confusing aspects of the request for reconsideration.

Noelle explains that its request for reconsideration was necessitated by the Board's "articulation of a new and different rationale [than that propounded by Armitage] for reversing its prior decision to allow a priority determination in this case." (Paper 91 at 1.) The request, according to Noelle, is its first opportunity to respond to the rationale and its factual underpinnings.

Noelle's argument that the Board overlooked claim 45 in determining that Noelle had made no effort to preserve a claim to patentable subject matter corresponding to the count is troubling in two regards. First, it incorrectly states the basis for correspondence. Second, it improperly attempts to shift the burden (and the blame) to Armitage and the Board to have claim 45 designated as corresponding.

Correspondence is an accounting mechanism for determining what claims would be lost to the party that loses the count. As such, correspondence is a provisional rejection of designated claims as anticipated by or obvious in view of a claim indisputably corresponding to the count. *Cf. In re Deckler*, 977 F.2d 1449, 1451, 24 USPQ2d 1448, 1450 (Fed. Cir. 1992) (the

losing party in an interference is not entitled to a patent covering claims patentably indistinguishable from the lost count); 37 C.F.R. § 1.637(c)(3). Noelle's statement that claim 45 is within the scope of corresponding claim 42 is meaningless in this context. It is well-settled that a claimed species within a genus is patentably distinct from the genus absent some basis for supposing otherwise. *E.g., In re Baird*, 16 F.3d 380, 29 USPQ2d 1550 (Fed. Cir. 1994); *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). As the record stands, no one has provided a reason to believe that claim 45 would be properly provisionally rejected over the subject matter of claim 42 or any other claim corresponding to the count.

The burden shift is all the more troubling in light of the nature of correspondence as a provisional rejection. Noelle contends that it has reason to believe that claim 45 should correspond—that is to say, should be provisionally rejected—along with claim 42, but that it is under no obligation to assist the Board in making that rejection. This contention is fundamentally at odds with a system that relies on the candor of those seeking patents.

RICHARD TORCZON)
Administrative Patent Judge)

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