

UNITED STATES PATENT OFFICE

INTERFERENCE ROUNDTABLE

THURSDAY, OCTOBER 15, 1998

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PATENT THEATER

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ARLINGTON, VIRGINIA

## **F O R E W O R D**

The Trial Section of the Interference Division of the Board of Patent Appeals and Interferences was created in October 1998. See Interference Practice--New Procedures for Handling Interference Cases at the Board of Patent Appeals and Interferences, 1217 Off. Gaz. Pat. & Tm. Office 18 (Dec. 1, 1998). On October 15, 1998, an Interference Roundtable sponsored by the Patent and Trademark Office and the Interference Committees of the American Bar Association and the American Intellectual Property Law Association was held in Arlington, Virginia. In order to let those not in attendance know what occurred, a copy of a transcript of the Roundtable is being made available on the Web Page of the Patent and Trademark Office.

October 7, 1999            Bruce H. Stoner, Jr.  
                                 Chief Administrative Patent Judge

## **N O T I C E**

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MODERATOR, LAWRENCE PERRY, of Fitzpatrick,  
Celia, Harper and Scinto, New York

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P R O C E E D I N G S

1  
2  
3 MR. PERRY: My name is Lawrence Perry. I am not Tony  
4 [Anthony M. Zupcic], who was promised in the schedule. I cannot  
5 replace or substitute for him--he was detained unexpectedly--but  
6 I can read his notes probably as well as he could, and besides he  
7 spoke to me recently and told me what to say, so we are in fairly  
8 good shape.

9 This is the Interference Round Table. By way of  
10 introduction, Chief Judge Bruce H. Stoner, Jr., and Tony had been  
11 speaking about this for I think more than a year now, and  
12 discussed it as recently as this spring at the spring 1998 AIPLA  
13 [American Intellectual Property Law Association] meeting. The  
14 theory and the thought was that a meeting between the Bar and the  
15 APJs [Administrative Patent Judges] who handle interferences on a  
16 regular basis would be a great idea. A poll at the AIPLA  
17 Interference Committee confirmed this and subsequent  
18 conversations with ABA [American Bar Association] Committee 152,  
19 chaired by Jerry Voight, confirmed it.

20 The purpose of the Round Table is to have an open exchange  
21 of ideas between APJs and the attorneys who most frequently  
22 handle interferences. Since everyone here today should be  
23 familiar with interferences under the present system, we are  
24 going to try to avoid a litany of horror stories, but instead

1 just see if, working together, we can develop some useful  
2 solutions to some of the problems we face under the context of  
3 the existing rules.

4 So one thing that we want to emphasize throughout the  
5 discussion is that we are going to try to exchange ideas to  
6 address the existing problems without requiring rules changes.

7 In the last two years, the Bar has focused on the pendency  
8 of interferences and that will be discussed today. Additionally,  
9 we hope to address simplification of the process, reducing costs,  
10 and hopefully achieving greater predictability for clients.

11 The format of the program is we are going to begin with  
12 preliminary comments by members of the panel. Following  
13 completion of all of these comments by the panel, we would like  
14 to start an open discussion, ideally organized by the different  
15 stages of the interference. We are going to try to direct it by  
16 ideas regarding preliminaries to the interference, declaration of  
17 interference in the group, then the declaration by the APJ,  
18 comments on preliminary modes of practice, testimony and  
19 additional discovery, final hearing, and then final decision,  
20 judgment, and request for consideration.

21 Again, just to remind everybody, our focus is on  
22 changes of practice which would not require changes in the rules.  
23 If you have--anybody has--suggestions for rule changes, and I am  
24 sure that most of you, if not all of you, do, to the extent we

1 have time available at the end of the open discussion, it would  
2 be great to raise them then. If not, you know, I would suggest  
3 that they are likely to be suitable for submission to the AIPLA  
4 and the ABA committees for resolution.

5 Finally, when we do get to the open discussions, since we  
6 have a court reporter here today and certainly everyone here does  
7 not know everybody else, please introduce yourself before making  
8 a comment.

9 Our first, and I suppose most important, speaker today is  
10 Deputy Assistant Commissioner of Commerce and Deputy Commissioner  
11 of Patents and Trademarks Todd Dickinson.

12 Since assuming his duties as Deputy Commissioner, Todd has  
13 been very receptive to meetings between the Office and the Bar to  
14 discuss problems of mutual concern. Recently Todd participated  
15 in the Biotechnology Open House, and we are very fortunate to  
16 have him here today.

17 COMMISSIONER DICKINSON: Thanks, Larry. Yes, I am very  
18 pleased to be here today. I come with my PTO hat on today, but I  
19 certainly have had my share of involvement with interferences  
20 over the past. I suppose we should have a disclaimer. The last  
21 one I was involved with was about a year ago and actually Larry  
22 and I were on opposite sides. Larry won. Hopefully, I will not  
23 allow that to color my approach too much. But it lasted about  
24 six years. I have been involved with some that are about as

1 equally cumbersome. My experience is that interferences cost too  
2 much, the rules are too complicated, and they are too  
3 unpredictable. Business in particular hates them. They are very  
4 difficult to explain to clients, in my experience.

5 One of the things I hope comes out of today is some early  
6 understandings, and first understandings, about what we can do  
7 now to try to deal with those kind of situations and  
8 circumstances. Not only do they cost too much to the clients and  
9 to the Bar, they cost too much to us, frankly. They are very  
10 expensive for the PTO. They are an enormous drain on our  
11 resources.

12 If we were able to find a way to manage them more  
13 expeditiously internally, that would certainly help our bottom  
14 line and help us try to reduce the costs to you and your clients  
15 overall.

16 So I am very eager to be a participant in this panel today.  
17 As Judge Stoner and the other judges here know, I was very  
18 enthusiastic when they approached me about that. I am pleased we  
19 also have our Solicitor, Nancy Linck, and Linda Isacson from her  
20 office, here today because a lot of this will also fall on their  
21 shoulders in terms of how the office deals with these questions.

22 I know we are supposed to shy away from rule changes and I  
23 know that is the ground rule today, but, as Larry suggested, down  
24 the road, maybe we have to consider that question. It is not



1 today's question, but certainly we should not foreclose that  
2 question.

3 When we did the rule changes the last time, I think people  
4 really thought that was going to make a difference and in some  
5 ways we find ourselves back where we were perhaps at the time of  
6 the last rule change.

7 So, again, I am pleased to be here to hear things,  
8 primarily. I am not an interference expert though I have  
9 participated in them. I am eager for your thoughts and your  
10 input. Thanks.

11 MR. PERRY: Next we would like to hear from Bruce H. Stoner,  
12 Jr., Chief Administrative Patent Judge. Since becoming Chief  
13 Judge, Bruce has been very responsive to suggestions from the  
14 Bar. After the AIPLA passed several resolutions concerning  
15 delays in declaring interferences last summer, Bruce took care of  
16 a large backlog of cases awaiting declaration. He has also heard  
17 our pleas for a quicker response to requests for file wrappers in  
18 cases involving interference.

19 Today Bruce will provide us with an update on the state of  
20 the Board at the end of fiscal year 1998, and its plans for  
21 fiscal year 1999. He will also outline the changes to  
22 interference practice he initiated Monday of last week, which  
23 have the goal of making the practice more uniform and trying to  
24 make the average pendency of most interferences about two years.

1           JUDGE STONER: First I would like to welcome all of you  
2 here. I appreciate that we have this kind of representation both  
3 from the Bar and from the Board. I would like to take credit for  
4 having declared a whole bunch of interferences last year, but it  
5 was not me. There are sixteen APJs out there who were  
6 responsible for that. I need to talk about some of the wonderful  
7 things that they have done in the course of the last year.

8           We are here, as Larry said, to raise consciousness on  
9 everybody's part--on the part of the Board members and the  
10 Bar--as to each other's problems and to open a dialogue as to how  
11 we can make things better, simpler, quicker, cheaper, more just,  
12 more predictable, within the existing framework.

13           I would like to start by bragging about the Board's past  
14 year. We have had an exceptionally productive year in terms of  
15 both ex parte and inter partes terminations. To save time, I  
16 will not throw a lot of numbers at you, but just so you have some  
17 notion of where we are going:

18           We had 4091 ex parte disposals last year. That is the most  
19 since 1993. We received 3779 ex parte appeals, which was about  
20 900 under prediction. For that, we were grateful. We had three  
21 years where we averaged 5000 receipts per year. Had we  
22 encountered something like that again, it is plain that we would  
23 be falling further behind.

24           Our ex parte inventory today is too large, just under 8900,

1 but at the moment it is going in the right direction--downward.

2 We terminated 204 interferences last year so that the  
3 inventory of pending interferences stands at about 433. We have  
4 on hand today about sixty proposed interferences to be evaluated  
5 and declared. I say "about sixty" because proposed interferences  
6 sometimes make trips back and forth to the [examining] group  
7 before they ever actually get declared.

8 The aggregate contribution made by the APJs from the  
9 Interference Division to the success of the Board in FY 1998 is  
10 highly significant. Together they rendered 619 ex parte  
11 decisions in addition to managing those 204 interference  
12 terminations as well as the other interferences they were dealing  
13 with. You need to know that, for the last sixteen months, these  
14 APJs have been both deciding ex parte appeals and managing and  
15 deciding interferences. So they have been busy.

16 Our ex parte inventory is down by 312 in the last year, and  
17 that decrease would not have been possible without the effort of  
18 these APJs from the Interference Division.

19 To get a handle on how many people we have, in fiscal year  
20 1998, we had one APJ depart and last week, FY 1999, we had  
21 another one leave for greener pastures. You can interpret  
22 "greener pastures" any way you like. I would like to be able to  
23 pay more than I can, but that is just the way things are. One  
24 departure was from the ex parte side; one from the interference

1 side.

2 We have three APJs who have indicated that they expect to  
3 retire during fiscal year 1999. We have eleven APJs who are  
4 currently eligible to retire. In fact, two of those are already  
5 retired and back as part-time re-hired annuitants. Five of those  
6 eleven work in Interferences.

7 As of today, there are 44 APJs, including the Chief, the  
8 Vice Chief, and two Senior APJs, who are effectively part-timers.  
9 We are now in the process of hiring APJs. Fifteen names have  
10 been sent forward to the Department of Commerce and several more  
11 names may follow.

12 Our goal on the ex parte side is to take up appeals for  
13 decision about six months after they have been received at the  
14 Board. It is going to take us some time to reach that goal. It  
15 is a goal we are heading for. We are doing better in some areas.  
16 We are doing quite well, right now, with designs and mechanical  
17 cases. We are doing less well with electrical cases and not  
18 nearly so well in the chemical and biotechnology areas.

19 It is apparent to me that the need for the APJs of the  
20 Interference Division to continue deciding ex parte cases is not  
21 going to go away any time soon, but it is also apparent to me  
22 that it is going to reduce the time available for those things  
23 that are required in conducting interference proceedings,  
24 including reviewing proposed interferences as they are received

1 from the examining operation, making sure they are ready for  
2 declaration, deciding motions, and producing final decisions  
3 after final hearing.

4 We have put quite a load on these folks. That is nothing  
5 new but, at the same time, to the degree that we overload them,  
6 we to some degree shortchange the interference process.

7 We talk about the goal for the interference side of the  
8 house. That is expressed in our rules, in 37 CFR § 1.610(c),  
9 second sentence, which says:

10 "Times for taking action shall be set and the  
11 administrative patent judge shall exercise control over  
12 the interference so that the pendency of the  
13 interference before the Board does not normally exceed  
14 two years."

15 Thank you for not breaking out laughing. We all know that  
16 there are many interferences that go a lot longer than that.  
17 Fortunately, there are many interferences that get taken care of  
18 much more quickly. As one of the wise APJs said to me, if you do  
19 not declare them, they do not go away. So we have been trying to  
20 make every effort we can to declare them as promptly as possible,  
21 so that the ones that are going to go away do, indeed, go away.

22 All of us, whether inside or outside the PTO, are concerned  
23 that some interferences take much too long to resolve. I am  
24 concerned that we have interferences ready for decision that have

1 not yet been reached for a variety of reasons. One of those  
2 reasons stands before you. To a large degree, the delays that  
3 you have seen in the last sixteen months can be laid at my feet,  
4 and I will take responsibility for that. These APJs have, as I  
5 have indicated to you, been pitching in on the ex parte side of  
6 the Board, which was necessary because of the size of the ex  
7 parte backlog we had.

8         Nevertheless, we have a problem that needs to be addressed.  
9 Many folks, usually outside the PTO, have expressed concern that  
10 there are many different practices in the interlocutory stages of  
11 interference; indeed, there seem to be almost as many practices  
12 as there are APJs. As Todd has indicated, as Larry has  
13 indicated, it is appropriate to talk about changing the rules,  
14 but my experience is that doing so is a slow process that  
15 frequently produces unexpected results.

16         We need to find a way for the interference APJs to  
17 concentrate on decisional responsibilities and to be in a  
18 position for bringing existing and future resources to bear while  
19 streamlining the interlocutory process, and while maintaining our  
20 attention on ex parte appeals.

21         Because of all those competing demands, I have taken the  
22 following steps:

23         Last week, I created within the Interference Division (the  
24 Division is a loose association of folks primarily assigned to

1 decide interferences) a Trial Section, to which three APJs have  
2 been assigned. Those APJs within the Trial Section will be  
3 responsible for promptly declaring interferences and managing the  
4 proceedings prior to the final hearing and decision in such a way  
5 as to have all matters preparatory to final hearing, including  
6 required decisions on preliminary motions, typically concluded by  
7 a date approximately eighteen months from the date of  
8 declaration.

9 These APJs, in addition, will routinely be designated to  
10 panels that enter judgments and will also spend a part of their  
11 time deciding ex parte appeals.

12 I expect to be able to assign three interference  
13 administrators, patent professionals similar to the ex parte  
14 administrators we have, to assist in those tasks. One has  
15 already been assigned and we would hope to get two more. These  
16 individuals will provide your contact point for arranging  
17 hearings, conference calls, etc.

18 The Trial Section is going to receive clerical support from  
19 paralegal specialists and a legal technician.

20 As is presently the situation, all APJs in the Interference  
21 Division, including those in the Trial Section, will be  
22 designated to panels charged with authoring opinions in support  
23 of decisions on motions where panel decisions are appropriate,  
24 authoring opinions in support of decisions in interferences

1 reaching final without benefit of oral hearing (on-brief cases);  
2 authoring opinions in support of decisions in interferences that,  
3 indeed, reach final hearing; and authoring opinions in support of  
4 decisions with or without oral hearing on other matters for which  
5 the Chief or Vice Chief determines panels are necessary.

6 At such time as the Trial Section has become current in the  
7 declaration and management of new interferences, that section may  
8 progressively assume responsibility for all pending interferences  
9 that have not yet reached the final hearing stage. It should be  
10 evident, however, with over four hundred pending interferences,  
11 they are not going to be able to do so overnight. That would be  
12 unreasonable to think. This is going to take a certain period of  
13 time of transition.

14 In the interim, and until the Trial Section assumes  
15 responsibility for those duties, all the APJs in the Interference  
16 Division will continue discharging their interlocutory duties.

17 There is an element of business as usual, even while new  
18 declarations will be coming out with what should be substantially  
19 a uniform order from the three APJs assigned to the Trial  
20 Section.

21 The APJs who will be initially assigned to the Trial Section  
22 are Senior APJ Fred McKelvey, and APJs Richard Schafer and  
23 Jameson Lee. These are all individuals with significant trial  
24 experience prior to coming to the Board. And the administrator



1 initially assigned is Merrell Cashion. All four of those  
2 individuals are here today. I hope you can take an opportunity  
3 to speak with them. Both Fred and Rick are on the program today  
4 and I am sure that they are going to have observations to make  
5 with regard to these plans.

6 Having said all that, I want to stress again that the reason  
7 for today's session is unchanged. We want to take this  
8 opportunity again to raise everyone's consciousness as well as to  
9 open this dialogue as to how we can make things better.

10 I am certain you are going to have a lot of questions as to  
11 how this new system will work but in many ways it will be just  
12 like the old system. However, we hope with more uniformity and  
13 certain economies of scale.

14 Because we have over four hundred ongoing interferences that  
15 will need to be resolved, many things will have to stay the same  
16 as we work our way through those. I know you have a lot of  
17 questions but instead of responding to those now, I think it may  
18 be best to hold those until after Fred has had an opportunity to  
19 speak. We have several other speakers and I think we are going  
20 to have Fred go fourth, to give him an opportunity. That is my  
21 presentation. Thank you.

22 MR. PERRY: Next we have Patrick Rowe, from the  
23 [Dissemination Support Division]--I think it is currently called  
24 the Office of Public Records [OPR]?

1 MR. ROWE: That is correct.

2 MR. PERRY: Okay. At the Spring AIPLA Interference  
3 Committee meeting, Chief Judge Stoner reported that the [Office  
4 of Public Records] agreed to expedite file wrapper requests for  
5 cases involved in interferences. Mr. Rowe is going to give us a  
6 report on [OPR] and what we need to know about getting files as  
7 quickly as possible.

8 MR. ROWE: Thank you. Good afternoon. I am here at the  
9 invitation of Judge Stoner to provide you with some information  
10 on how parties involved in an interference can obtain copies of  
11 files. The Office of Public Records is essentially the retail  
12 sales area of Patent and Trademark Office. We record assignments  
13 and related transactions, prepare certified copies of office  
14 records, and sell patent and trademark copies.

15 Last year we produced and shipped over one million  
16 documents. The hardest orders for us to fill, and potentially  
17 the most frustrating for you, the customers, are the four to five  
18 thousand that are for copies of file wrappers and contents.  
19 Why, you might ask, that is a very small percentage. Well,  
20 unlike patent copies or certified copies of patent applications  
21 as filed, which are produced on demand from online image stores,  
22 file wrappers are in paper, and, particularly when it comes to  
23 interferences, they are alive and moving around the PTO, with  
24 both PTO staff and the public hunting them down to make copies or

1 review a paper.

2 Several years ago, the Board asked my office to serve as the  
3 central clearing house for public orders for files involved in  
4 interferences, similar to the way we fill orders for files  
5 located in the Office of Commissioner and the Office of the  
6 Solicitor. This initiative had two purposes. First, to ensure  
7 the integrity of hot cases by keeping them within PTO hands. And  
8 second, to provide fair and equal access to copies for all  
9 parties.

10 This process kept better control of files once they were  
11 received in the Office of Public Records, but it did not address  
12 the problem of getting our hands on the files. It is "hands on  
13 the file," not the number of files or their size, that determines  
14 when an order can be filled.

15 In a few minutes Judge McKelvey will be outlining a new  
16 procedure at the Board designed to get files into our hands so  
17 that, in turn, my office can get copies to you routinely.

18 Our goal is to copy and fill orders for interference files  
19 within fourteen days of receiving the files and complete orders.  
20 Files are disassembled and papers copied in the same order in  
21 which they are found in the file. We do not reorganize them  
22 because our objective is to return them to the APJs just the way  
23 they sent them over to us.

24 We send completed orders via delivery service--UPS or

1 Federal Express--because of the tracking and delivery  
2 verification capabilities available. Each Customer Service  
3 Representative has access to the UPS and Federal Express tracking  
4 home pages on the Worldwide Web and can verify delivery of  
5 orders. Full names and exact street addresses are critical. For  
6 most calls reporting, "We never got the copies," it turns out  
7 that somebody in the firm's mail room signed for them three weeks  
8 ago.

9 If orders include the E-mail address of the recipient, we  
10 will send them the air bill or ground track number of the  
11 shipment when it is dispatched, so that they can track it  
12 themselves until it hits their desks.

13 Judge Stoner mentioned file access, our plans for getting  
14 files to you quicker and the arrangements that have been made,  
15 and I would like to note a few statistics. During the month of  
16 September, the average time to turn around files from the Board  
17 in my office was 4.38 days, but from your perspective, the total  
18 turn around time was almost forty days because, again, the  
19 problem was finding the file and getting it to us. Copying, once  
20 we get the file, is really the easiest part. The battle is won  
21 when we have the file in our hand.

22 I would just like to contrast that 39.5, or almost forty,  
23 days with our experience in the first week in October where we  
24 went into a slightly different process, where our turn-around

1 time was 5.2 days but the total turn-around time was only 7.1.  
2 Judge McKelvey will be talking about how we have changed that  
3 process to get the turn around and make the files more  
4 predictably available to you.

5 I will be available after the session. Ah, thank you, Fred.  
6 Fred asked me to note, "be sure to talk about deposit accounts  
7 having '\$'."

8 We fill our orders from deposit account authorizations, and  
9 we have had cases where attorneys say, "Okay, charge the deposit  
10 account," but the accounting department in the firm has not  
11 replenished the account. This can result in delays until checks  
12 get to us. So that is an important thing, Fred, thank you.

13 MR. PERRY: Rick Schafer is an Administrative Patent Judge  
14 and is going to present his observations concerning those things  
15 we do during the prosecution of interference which unnecessarily  
16 complicate his life and the ways that some of those complications  
17 can be avoided. As one of the new trial judges, Rick will  
18 certainly have helpful hints on what we need to know about the  
19 revised practice.

20 JUDGE SCHAFFER: Thank you. Well, I like what he said. I  
21 made up a list of things to talk about, and included on the list  
22 are things that I have seen that practitioners have done that  
23 have messed up their own cases.

24 So on this list are problems, things that cause problems for

1 me or other APJs and things that have actually caused you  
2 problems even though you may not have known it. Some just cause  
3 delays. Some are things that some of us at the Board think you  
4 just do not appreciate and overlook. Some are things that APJs  
5 have indicated that they just do not like. Some things have  
6 solutions, some do not. Some the APJs can control, have not  
7 controlled in the past, and probably will control in the future.  
8 Other things are in the counsel's control.

9 This list is not comprehensive--or even in any particular  
10 order. It is not in order of importance. It is just the list  
11 that was put together.

12 So having said all that, here you are, you have a client who  
13 says here is this patent that is claiming the same invention that  
14 we are. The first thing people seem to think of is, well, we  
15 will just copy these claims and we will get an interference.  
16 There have been a number of cases I have seen over the last  
17 couple of years where the clients slavishly decide to copy the  
18 claims. Then the Examiner looks at it and says, "Well, you  
19 really do not have descriptive support for those claims." But  
20 then the Examiner ends up accepting the argument, "Well, we just  
21 want to get an interference," and says okay, and lets the claims  
22 in, finds the claim patentable, and then forwards the cases to us  
23 for an interference.

24 What happens in those cases? Your opponent looks at the

1 case when the interference is declared and files a motion for  
2 unpatentability under [35 U.S.C. §] 112, first paragraph, and  
3 puts in all sorts of evidence.

4 Keep in mind that you do not have to copy claims exactly to  
5 be involved in an interference. All you need is a patentable  
6 claim that is claiming the same patentable invention as your  
7 opponent. When you decide to provoke an interference, and copy  
8 claims in some way, make sure you have written descriptive  
9 support for that claim. You do not have to have the identical  
10 claim. If you can make an identical claim, that is fine, but  
11 make sure you can make it.

12 I have seen interferences where the party has lost on  
13 [section] 112, first paragraph, on the descriptive support when  
14 they did not have to. They did not have to copy the claims  
15 exactly to be in the interference.

16 Let's go on to some things about files. Pat mentioned  
17 getting copies of files and ordering copies. There seems to be a  
18 misunderstanding by a substantial number of people--of course,  
19 nobody in this room would have this misunderstanding--about what  
20 exactly is an interference file. We have a lot of people come to  
21 us and say, "We ordered the interference file and I did not get  
22 copies of my opponent's application files." The interference  
23 file does not include the involved applications and patents.  
24 Those are separate files. The interference file is actually a

1 separate file, with that interference number that you all get,  
2 that has all the papers and exhibits for the interference. So  
3 when you receive the notice of declaration and an order to file  
4 requests for copies by a certain date, you want to request the  
5 involved applications. If there is a patent involved, you want  
6 to request a copy of the patent by its patent number. If there  
7 is an application that your opponent has or any benefit  
8 applications, you want to request them by number. Pat will be  
9 happy to fill those orders.

10 Also, when the requests for copies are filed with us, we see  
11 that attorneys are asking for a copy of the interference file.  
12 There really is no reason to ask us for a copy of the  
13 interference file when you are a party. Everything in the  
14 interference file, you have. Every paper. The [Form PTO] 850  
15 the Examiner fills out, any other papers that were before the  
16 Examiner get copied to you as part of the declaration. If you  
17 ask for a copy of the interference file, you may just slow things  
18 down.

19 Another thing that happens related to the interference files  
20 is maybe you have a client that is concerned about infringement  
21 under a patent, so you look into the patent and you find that it  
22 is in interference because there is a notice of declaration in  
23 the patent file. The first thing you do is order a copy of that  
24 interference file.



1 Pending interferences are not available to the public. That  
2 is right in 37 CFR § 1.11(e). Unless that interference is  
3 terminated or there is a judgment, and then if it involves or  
4 leads to a patent, the file is unavailable. Pat gets a lot of  
5 requests for interference files that just are not available to  
6 the requester. Pending interference files are only available for  
7 inspection and copies by the parties.

8 When you are in the interference, as you know, there is a  
9 lot of motions--we have interferences that have an awful lot of  
10 motions--and one of the things APJs said was that there are just  
11 too many motions filed.

12 Now, I guess one approach we could take would be to restrict  
13 the number of motions we let you file, but then you are also  
14 faced with certain estoppels if you do not file a motion. You  
15 are going to be estopped from raising certain issues in future  
16 proceedings, so that would be a pretty harsh rule.

17 So as far as the number of motions, I guess there really is  
18 not a good solution. All we can do is rely on the judgement of  
19 counsel as to what motions they are going to file. Of course  
20 that is part of what your client pays you for is to give them  
21 advice and for you to exercise good judgement.

22 It seems hard for me to believe that you need, and it is  
23 really necessary for a party to file, forty or fifty motions. We  
24 have those interferences. Probably none of you have done that,

1 but you have probably been on the other side of somebody who has  
2 done that and you had to oppose forty or fifty motions. It is  
3 hard on you also. But it is also hard on us because of the  
4 number of papers that we have to look at.

5 Another complaint by the APJs is that the papers that are  
6 received are just too long. One APJ showed me this morning a  
7 brief that was over 500 pages. It was a brief for final hearing  
8 so there were a lot of issues, but still, that is an awful lot  
9 for an APJ to have to digest and come up with a decision on,  
10 especially when you have an opposing brief and then you have a  
11 reply brief to deal with.

12 My personal solution to that is to impose page restrictions.  
13 I do it for motions. My personal choice for motions is, if you  
14 cannot tell me what your problem is in fifteen pages, per motion,  
15 then I do not know what the problem is. It is just my belief you  
16 can do it in fifteen.

17 You can also move, if that is really too few, to have the  
18 page limit taken off in a [37 CFR §1.] 635 motion for a  
19 particular motion, giving me an explanation why you need more  
20 pages. The same would be true with briefs. If you are familiar  
21 with Federal Circuit practice, they have a fifty page limit.  
22 Cases worth millions and millions of dollars to the companies  
23 involved turn on fifty pages. Often the attorneys do not need  
24 the fifty pages. I do not know that fifty pages would be a good

1 limit. I have never set one at fifty pages, but I think five  
2 hundred pages is probably excessive.

3 Often when you are in an interference, you will look at your  
4 opponent's claims and decide that they are unpatentable. You  
5 have evidence that shows that those claims are unpatentable. In  
6 particular, they are unpatentable over some prior art. Now you  
7 will help us in our decisions if, when you allege that the claims  
8 are unpatentable under [35 U.S.C. §] 102(b), for example, you go  
9 through your opponent's claims, element by element, and identify  
10 where in the prior art that element is taught. If your motion is  
11 based on [35 U.S.C. §] 103, you do the same thing: you go  
12 through the closest prior art, show us where each claim element  
13 is taught or suggested. Identify the differences and explain why  
14 the rest of the prior art renders those differences obvious.

15 All we are asking is exactly what you expect Examiners to do  
16 in ex parte prosecution. That is what you want from Examiners  
17 when they reject your claims. That is what we want to help us  
18 out and also help keep the issues clear as the opponents respond.

19 Now often after a decision either on motions or even after  
20 final judgment, you find it necessary to file a request for  
21 reconsideration. Well, a request for reconsideration is not just  
22 another opportunity to re-argue your case. Merely arguing that  
23 the earlier decision was wrong and re-arguing a point does not  
24 meet the standard for a request for reconsideration. The purpose

1 of a request for reconsideration is to show where the  
2 decider--whether a single APJ or a panel--erred in the law or  
3 overlooked some critical fact. You should point out in your  
4 request for reconsideration what the specific matter is that was  
5 overlooked or misapprehended, show where you argued that point  
6 before the earlier decision. You should point to the statute  
7 that you are relying on that was overlooked, or the PTO rule, or  
8 a precedential opinion that was not correctly followed, or some  
9 specific fact with a citation to the record where you previously  
10 argued it.

11 You should also summarize what you argued before, what your  
12 opponent argued, and what APJ or the panel said because, by the  
13 time your request for reconsideration comes in, we have probably  
14 handled twenty or thirty different substantive matters, so we do  
15 not have a recollection of it. You can write your paper to give  
16 us information so we have a good recollection of it, and minimize  
17 our need to go back and read all the papers again to see what you  
18 argued, and what exactly we said in response.

19 Some of the APJs have mentioned that, when you are getting  
20 ready for final hearing and you file a record, that the record is  
21 not well-organized. Often it is very large. One approach is, if  
22 you can, to put together the record and Bates number it. Then  
23 when you file your briefs, you refer to the particular document  
24 or the particular testimony and the page number that you are

1 referring to of the record. It is somewhat analogous to the  
2 practice for filing your record in the Federal Circuit. You put  
3 together an appendix of the record that is Bates numbered from  
4 beginning to end, and then both parties have those Bates numbers  
5 to use when they are referring to the record.

6 Some of the counsel have adopted this. As soon as they  
7 start putting together and filing documents, affidavits, and  
8 testimony that will ultimately end up in the record, they begin  
9 consecutively numbering their papers. When we have this huge  
10 collection of documents, that it makes it easier for us to find  
11 them and get to them, and facilitates our making our decision  
12 faster.

13 From time to time in interferences, we have seen an  
14 applicant or one of the parties rely on some data or information  
15 in the specification for proof of the truth of the matter in the  
16 specification. The specification is only proof of what is  
17 described in the application. It does not prove the truth of any  
18 matter that is stated there or any data or any tests that were  
19 done. What you will need to do is come in with an affidavit or  
20 declaration by somebody with firsthand knowledge of that  
21 information or of testing that was done.

22 During the testimony period, you will be cross-examining  
23 affiants or declarants and you may have a counsel that does a lot  
24 of objecting to your cross-examination. There is a general rule

1 that we apply in interferences that people do not seem to be  
2 aware of. The fact that you object to a question is not a basis  
3 for the witness not to answer the question.

4 The objection goes on the record and, if it is a matter of  
5 form or something, you can correct the question, but then the  
6 witness should answer the question. Unless, of course, your  
7 objection is that it is privileged. Then there are other ways to  
8 handle objections for privilege, including getting the APJ on the  
9 phone to settle the issue or filing a motion very promptly after  
10 that day's deposition concludes.

11 Just to re-emphasize that, an instruction to a witness not  
12 to answer a question is always improper unless its relates to a  
13 privileged matter.

14 Some of the APJs have commented that, with respect to  
15 motions in particular, counsel are not proving their case in  
16 their motion paper. In other words, counsel is not proving a  
17 prima facie case of entitlement to relief requested in their  
18 motion. Remember, if you file a motion, you are trying to change  
19 the status quo. So you have the burden of proof. Your burden is  
20 to show prima facie that you are entitled to the relief you are  
21 requesting. Any proofs you need, any evidence you need, should  
22 come in with the motion. You should not wait until you file your  
23 reply to complete your prima facie case.

24 The solution that a number of us have adopted is, if we look

1 at a motion when it is time for decision and we see that the  
2 motion does not set out a prima facie case, we will deny the  
3 motion. We will never get to the opposition or to the reply. So  
4 keep in mind when you are filing a motion that you have the  
5 burden to present a prima facie case.

6 The last thing I will say, again, relates to what happens in  
7 the motion papers. I am seeing a lot of characterizations of  
8 opponent's arguments. For example, "My opponent's argument is  
9 ridiculous," or, "My opponent makes this picayune point." That  
10 does not help your case. When I read that, and to a number of  
11 other judges, that says your best case is to slime my opponent.  
12 If their argument is ridiculous, you can show on the facts and  
13 the law why your opponent is incorrect. Stick to the merits.  
14 You do not have to characterize the opponent's case. It just  
15 leaves the impression with me and others that your case is weak.

16 I think that about exhausts my list of horribles or whatever  
17 you want to call them. Thanks.

18 MR. PERRY: Jerry Voight is with us from Finnegan Henderson.  
19 He is currently chair of the ABA Interference Committee,  
20 Committee 152. Jerry is going to talk about some problems from  
21 the point of view of the private practitioner. I think he is  
22 hopefully going to share with us his thoughts on what he likes  
23 and dislikes on the orders currently being issued by APJs in  
24 interference cases.

1 MR. VOIGHT: Thank you, Lawrence. Indeed, what I want to  
2 talk about--and I think it fits very well what we just heard from  
3 Rick Schafer--are things from our, the practitioner's, side of  
4 the table, that the Board is doing that work or do not work.

5 In my remarks, to the extent I mention things that work,  
6 they are my own comments. To the extent I mention things that  
7 Board members may consider criticism, they come from other  
8 members of my committee.

9 (Laughter).

10 One of the things that our committee has discussed, and been  
11 troubled by, is a lack of uniform procedures and the lack of  
12 uniformity in the interlocutory orders.

13 In my career, going back, as you can probably tell, a long  
14 time, even before the 1985 rule changes, the procedure has always  
15 been very similar. A uniform procedure existed in all  
16 interferences. In about 1995, we started seeing all of the APJs,  
17 or nearly all of them, adopt their own interlocutory orders and  
18 the procedures started to vary a great deal.

19 I am pleased to find out that we are going back to a uniform  
20 procedure. The lack of uniformity we went through probably  
21 served a purpose. I think it allowed the Board to experiment  
22 with some things. We found some things that work and do not  
23 work. So I really do not want to be too critical of the Board  
24 for having done it, but it does present a problem for all of us.



1 Come up with any order you want, it does not matter too much, if  
2 you have only a single interference. But take people like me and  
3 virtually everybody out here in the audience, we have a lot of  
4 interferences and I think it is a bit of a trap if we have to  
5 deal with ten different procedures or ten different interlocutory  
6 orders. They all have differences and sometimes they are kind of  
7 subtle, and it is not so easy to pick up on the differences.

8 Another thing--maybe this is also going to be moot, I hope  
9 so, with the new procedures--with regard to the interlocutory  
10 orders, they all end with a section that sets forth due dates,  
11 but hidden in that order are inevitably other due dates. Quite  
12 frankly, I think that is a bit unfair. It is a trap for us.

13 I went through an order just today and the first date set at  
14 the end of the order was for filing identification of the lead  
15 attorney. There was another date, only five days after that  
16 date, that was hidden in the middle of the order. It is really  
17 easy to miss that. Indeed, having due dates set forth at the end  
18 of the order is almost a trap when you have other dates hidden in  
19 the middle of the order.

20 I hope when we come to a uniform order, that all the due  
21 dates are set forth at the end or in one place.

22 I also want to note that my committee did offer at one time  
23 to try to draft a uniform interlocutory order. At that time,  
24 there was little interest in our offer. The project evolved into

1 an attempt to come up with a uniform cover sheet for  
2 interlocutory orders. The cover sheet included a number of  
3 items, often with several alternatives. The appropriate  
4 alternative could be checked, and dates filled in, to give you a  
5 clue, even on a quick read, as to what was in the order.

6 I certainly do not think that is necessary if we are going  
7 to go to a uniform order. I think a uniform order indeed is a  
8 good way to go and I commend you.

9 Another thing that has been talked about today is providing  
10 files. I am pleased to know there is progress being made there.  
11 It has probably over time gotten better, but I will tell you this  
12 has been a real problem for us. We cannot obtain files. Of  
13 course, I know this is out of the hands of the APJs, and it ought  
14 to be. APJs should not have to deal with that kind of detail,  
15 but while it has gotten better, it is not a problem that has gone  
16 away. Indeed, the APJs often have to get involved so you can get  
17 the files so the case can go forward.

18 Some APJs require the parties to exchange copies of file  
19 histories. If the parties want to do it voluntarily, fine; but I  
20 do not think that is very satisfactory. For one thing, you do  
21 not know for sure if you are working with the same file that the  
22 Patent Office is. And, inevitably, when files are exchanged, you  
23 get information that is not present in the Patent Office file.  
24 Nine times out of, probably ninety-nine times out of a hundred,

1 it is innocuous information, nothing that really helps you--and  
2 hopefully it does not hurt you, if you are the one producing the  
3 files--but it is almost impossible to extract out everything that  
4 you have in your file that was not in the official file history.

5 Just a simple example. My file is going to show when an  
6 office action was received and it is virtually impossible to  
7 obliterate that information. Does anybody care? I do not think  
8 so. When I have had to exchange files, this has never bothered  
9 me, but you just never know. There are things in there that  
10 maybe you should not have to give up. So I think requiring the  
11 parties to provide file histories is not a satisfactory answer.

12 There are other problems with it, too. Sometimes--and it is  
13 true of all of us here--I take on interferences in cases where I  
14 had nothing to do with the prosecution. I do not have any idea  
15 what shape those files are in or if they are accurate or  
16 complete.

17 MR. FRANK PAINTIN: Let me say one thing, Jerry. I agree  
18 with you. I had an interference where a party had filed an  
19 amendment canceling some claims by facsimile. It was never  
20 entered, but when you got a copy of that party's file, it looked  
21 like those claims were canceled, and they never were canceled.

22 MR. VOIGHT: That is a better example than any I came up  
23 with. That is the sort of problem you run into. I really do  
24 appreciate the importance of the integrity of the files and I

1 know you have had real problems with that. I understand that,  
2 and you have to control that, but there must be a better way.

3 One thought I have had was maybe the parties should receive  
4 a pre-interlocutory order setting up the interference that says,  
5 "Your case is about to go into an interference. If you would  
6 like to get copies of all file histories, along with the  
7 declaration of the interference, send in a fee." I do not know  
8 if that is workable or not, but I am sure that somebody can come  
9 up with a better procedure than we have now.

10 Another thing that our committee has talked about is the  
11 time for serving preliminary statements. You go way, way back,  
12 preliminary statements were served as the first item of business.  
13 Then we went to the new rules in 1985. I think it is clear the  
14 new rules imply that preliminary statements are to be served  
15 after motions are decided. That is what everybody did for ten  
16 years. Then, in about 1995, some of the APJs started deciding  
17 first thing we are going to do is exchange preliminary  
18 statements. I do not know who was the first to come up with it.  
19 Mike Sofocleous was the first APJ I saw doing that. We have  
20 talked about this in our committee and came to the conclusion  
21 that an early exchange works pretty well. The committee did not  
22 seem to care too much when you are required to serve the  
23 preliminary statements but generally tended to favor doing it  
24 early.

1           This appears to be where we are headed again; one of the  
2 first orders of business is going to be to serve the preliminary  
3 statements. I think it is probably not a big advantage, but it  
4 does immediately somewhat crystallize and focus the issues. On  
5 balance this is a better way to go.

6           Another thing that works is the requirement for mandatory  
7 settlement discussions. Some of the APJs have in their  
8 interlocutory orders a requirement that the parties have  
9 settlement discussions and report in a telephone conference what  
10 has taken place. I do not know who originated this, but Marc  
11 Caroff was the first APJ I saw do it. I have found it works. If  
12 the case is not going to settle and there is no interest in it,  
13 you find out early on, and it is not a lot of work for the  
14 attorneys.

15           On the other hand, if there is a chance for settlement, you  
16 may settle it right up front and save everybody a lot of time and  
17 money. Most importantly, I think it works because sometimes  
18 neither party wants to be the one who raises settlement first.  
19 They think it is a concession of weakness. By having the APJ  
20 require that you enter into settlement discussions, you do not  
21 have to worry about being perceived as weak. "Why am I raising  
22 settlement? I am raising it because the APJ told me to."

23           I would urge that mandatory settlement discussions be  
24 included in the uniform interlocutory order, if a uniform

1 interlocutory order is adopted.

2       Something I think that does not work is the requirement I  
3 see fairly frequently now in interlocutory orders that the  
4 parties must confer before they file [37 CFR § 1.]633 motions.  
5 It is not always all Rule 633 motions but at least Rule 633(c)  
6 and Rule 633(i) motion, the motions that involve reformulating or  
7 amending the interference.

8       As background, prior to the 1995 rule change, the proposed  
9 rules included a requirement that the parties confer before they  
10 filed a Rule 633 motion. As you all know, the rules require you  
11 to confer before you file a Rule 635 motion. The proposal was to  
12 expand this requirement to include Rule 633 motions as well. The  
13 Bar was not really happy with this proposal. I was one of the  
14 people from the patent bar who testified against that proposal.  
15 Indeed, I urged the elimination of the requirement from Rule 635.  
16 In my experience, conferring with opposing counsel is a waste of  
17 time for everything other than nonsubstantive matters, such as  
18 extensions of time. Nobody ever agrees on a substantive matter,  
19 so all the requirement does is add a step that does not  
20 accomplish anything.

21       It is bad enough with Rule 635 motions, but what happens now  
22 if your opponent is going to file a Rule 633(c) motion? You are  
23 sitting in your office, the phone rings, and your opposing  
24 counsel is on the phone. He proceeds to read you a new count

1 that he wants to propose that is five pages long. When he gets  
2 through reading the proposed new count to you, he gives you about  
3 three quick sentences as to why this is so much better than the  
4 present count and why it is good for you. Then he says, "Do you  
5 agree?" You suggest that maybe you would like him to send it to  
6 you in writing so you can consider it more carefully, but you  
7 will take his comments under advisement.

8 What do you get the next day? You get a letter stating that  
9 the APJ's order requires the parties to confer in good faith and  
10 try to work these things out and you are not conferring in good  
11 faith. Moreover, the basis of the motion has been explained to  
12 you and your refusal to accept such an obviously meritorious  
13 motion shows you are not acting in good faith.

14 Another thing that happens, your opponent calls with  
15 something more simple that you can understand, and you say  
16 something like, "Oh, I don't know, I understand your proposal and  
17 I certainly think from your standpoint it seems reasonable."  
18 The next day you get a letter that says, "Glad that you agree  
19 with my position." Then you must write your opponent a letter,  
20 and you go back and forth and call each other names for five or  
21 six letters. The upshot is that you end up spending twice as  
22 much time to get that motion done because you have had to respond  
23 to five different letters explaining why, indeed, you are not  
24 acting in bad faith. This really has not advanced the case at

1 all.

2 To make it worse, typically orders require you to file a  
3 certificate stating all the facts and reasons in support of the  
4 motion discussed. You may also be required to identify the  
5 issues of fact in dispute and state why the opponent disagrees.  
6 I always thought that was the purpose of the motion, the  
7 opposition, and the reply. It seems we only need a single paper  
8 now because it will all be in the first paper. In fact, to get  
9 to that stage, we have to have gone through the whole motion  
10 period in advance. It really, truly, doubles the cost and  
11 accomplishes nothing. So that is one thing I hope will go away.  
12 In all fairness, sometimes maybe the conferring requirement does  
13 focus the issues a little bit, but at a terrible cost. It truly  
14 doubles the cost and it takes time.

15 Another item that our committee has addressed and complained  
16 about is the lack of published Board opinions. All of us on the  
17 outside know that the Board is dealing with and deciding  
18 important issues every day, but the only opinions we see are in  
19 our own cases. There just are not any published Board cases.  
20 Now, I have heard that you are going to do something about this  
21 but I have not seen it yet. I urge you to start publishing Board  
22 decisions. They will be very, very helpful to us on the outside  
23 and I think helpful to you because we will have some common  
24 ground to work from.



1 I understand the concern. No APJ wants to be bound by a  
2 panel that he or she was not a member of--or even a panel he or  
3 she was a member of--but I think that concern can be addressed.  
4 Publish the decisions and make them citable. Do not do as the  
5 Federal Circuit does and rule we cannot cite them. You do not  
6 have to make them binding. You can say this is a non-binding  
7 opinion. I will be perfectly happy with that, but,  
8 nevertheless, it should be citable as authority, even though  
9 non-binding authority.

10 One last comment on some things that the Board does right.  
11 Our committee meets on a fairly regular basis and at every  
12 meeting there are some APJs that attend. I know that is true in  
13 the AIPLA committee, too. Thank you. That is very helpful. The  
14 Committee really is thankful. I hear repeatedly that a reason  
15 people come to the meeting is because you are there and we can  
16 get your insights and comments. It is very helpful to us. We  
17 appreciate it.

18 I think you can say the same thing with a meeting like we  
19 are having today, and particularly the comments Rick Schafer  
20 made. Also I would like to mention there was a paper that Judge  
21 McKelvey put out within the last year containing various  
22 guidelines. Those are really very helpful to us and we  
23 appreciate it. Thank you.

24 MR. PERRY: Thank you, Jerry. Paul Morgan is here with us

1 today from Xerox. He is a past chair of the AIPLA Interference  
2 Committee and the Board of Directors. Paul is going to give us  
3 his thoughts of interference practice from the standpoint of the  
4 corporate attorney.

5 MR. MORGAN: Thank you. I have handouts so you can scribble  
6 on this instead of having to take notes. This will save time. I  
7 will probably have to cut these remarks short anyway. Also, the  
8 Commissioner has already stolen considerable of my thunder  
9 because I completely agree with his characterization from our  
10 standpoint.

11 COMMISSIONER DICKINSON: That is because I was a corporate  
12 practitioner for most of my career.

13 MR. MORGAN: That is why I am here. I am, as usual, the  
14 sole corporate practitioner. Thank you very much for inviting me  
15 as the corporate representative.

16 I am also the AIPLA Board member liaison to the Interference  
17 Committee, so I have to make the usual disclaimers that these are  
18 personal opinions. Although, in fact, they are not personal  
19 opinions.

20 I have one specific AIPLA Board resolution to present in  
21 this paper, which was just passed by the Board last year, which  
22 we think will shorten interferences. To be honest, I have  
23 circulated this paper to a number of people that really are  
24 interference practitioners, that is the mavens of the business,

1 many of whom are here, and had remarkable agreement that what I  
2 am going to say is what they would like to say but maybe do not  
3 want to. So I think that it is fair to make that statement.

4 I would like, first of all, to agree with everything that  
5 Jerry Voight just said. I have already agreed with everything  
6 the Commissioner said. I am also going to agree with everything  
7 that Ray Green is going to say because I have read his paper. So  
8 there is remarkable unanimity there.

9 I do not have any silver bullet. There is only one silver  
10 bullet--first to file--and we are not going to get it,  
11 politically. So, therefore, we have to live with the system.  
12 What I have tried to present is a few bullets that are not  
13 silver, but I hope will do some good to kill some very  
14 unnecessary interferences, which, in my opinion, are clogging the  
15 system, and, therefore, give more time to the Board to handle the  
16 real interferences, that is, real priority contests. There is no  
17 way we are going to make real priority contests simple, cheap, or  
18 fast in my opinion, but it would help if we got rid of some of  
19 the ones that are not even really priority contests.

20 Oh, also, I forgot to agree with the Judges. Excuse me. I  
21 support the concept of the trial judge system in a Trial Section  
22 in principle, but in action is the concern, and the real concern  
23 is whether the way it is operated will provide what the AIPLA and  
24 what the previous AIPLA and ABA interference committees, and one

1 of the resolutions of Maurice Klitzman's committee before, have  
2 sought and that is primarily the quick, cheap disposal of  
3 interferences that should not be interferences. I am going to  
4 get into that.

5 I could spend only ten seconds to explain what the corporate  
6 attorney view of interferences is because it is universal, shared  
7 by the client, and easily stated. We do not like interferences  
8 and we would like to get rid of them. Since we cannot do that,  
9 the question is what can we do to make them very much faster,  
10 cheaper, simpler, and less frequent. Those views, of course,  
11 should not be surprising since we are the only ones paying the  
12 entire cost of the system, both on the Patent Office side and the  
13 Bar side.

14 As I think many of the Board members have pointed out in the  
15 past, the interferences are aggravating even our serious ex parte  
16 appeals backlog problems by diverting Board resources from ex  
17 parte cases. I hope that is not overstating the case, but I  
18 think it is a fair statement.

19 In short, we think we are the real "customers." I put  
20 customers in quotes because I know this is a popular word in the  
21 Patent Office, and I hope that will be taken in that context. We  
22 think the system ought to operate for the benefit of the  
23 customer, which is us, rather than people inside or outside the  
24 Patent Office who practice in this area, notwithstanding the fact

1 that I have an extremely high regard for the professionalism of  
2 the people that practice in this area, both inside and outside  
3 the Patent Office.

4 I also think it is important to note that, while  
5 interferences are infrequent, that number is very deceiving.  
6 Many are very important. There are a number that are delaying  
7 commercialization of important new technologies, two or three  
8 Nobel Prize-winning topics, and a number of other important  
9 inventions that end up in interferences and are delayed for the  
10 public. I think it is hurting the economy as well the public.

11 I mean, ask the question: Who wants to make large  
12 investments in a new technology--factories, development,  
13 whatever--when the ownership of that technology is going to be  
14 tied up for years in a legal dispute that cannot be expedited?  
15 There is no system for prioritizing or expediting publicly  
16 important interferences from those that are not. I have been  
17 predicting for years that we are headed one of these days for a  
18 public relations disaster for the Patent Office as a result. My  
19 concern is hasty action by people who do not understand what  
20 [35 U.S.C. §] 102(g) is all about. We all know what hasty action  
21 in Congress can do, so we do not want to invite that.

22 I think we ought to try and fix the system as much as we can  
23 if we cannot get first-to-file.

24 One of the aspects where corporate practitioners may differ

1 from interference specialists is that we are much more eager to  
2 avoid or settle interferences. I do not have any specific  
3 recommendations in that regard, but we do find it difficult to  
4 settle interferences. Some of those difficulties are due to  
5 legal uncertainties, one of them being created by the Patent  
6 Office's new Rule 658(c), the expansion of interference estoppel  
7 to both parties.

8 We also think that settlements were easier in some cases  
9 under the prior interference rules. This ties into one thing  
10 Jerry said. I am old enough to have practiced under the old  
11 system and have felt that settlements were easier when the first  
12 thing you did was file preliminary statements. Since you knew  
13 that was coming, yours was going to be served and the other party  
14 was going to see your preliminary statement and see how bad your  
15 case was--this was a very strong inducement to a fast settlement.  
16 I wonder then if we ought to reconsider going back to that  
17 previous practice rather than the present system, in which,  
18 before filing preliminary statements, the parties are wasting a  
19 lot of time and money, mud slinging on every possible  
20 non-priority issue in the motion period, because in the present  
21 practice you have to do everything at once in the first three or  
22 four months.

23 The virtual absence of any effective discovery in  
24 interferences does not help settle the cases either, but

1 corporate people talk out of both sides of their mouth on this  
2 issue because they also do not want to pay for discovery, so we  
3 do not want discovery in interferences, but it is admittedly a  
4 problem with settlements.

5 In general, I think I have to say that every outsider to the  
6 present interference system that I have ever talked to is unhappy  
7 with it, including many of my fellow Board members in the AIPLA.  
8 They are frustrated and unhappy. They do not quite know what to  
9 do. They do not like it, but they do not know what to do about  
10 it.

11 Even a lot of you insiders I think are frustrated with many  
12 aspects of it. Everybody agrees the current backlog is simply  
13 unacceptable. We cannot have a high technology society that takes  
14 years to decide who owns something in the new technology.

15 To quote one of the Board members, we are not interested in  
16 just putting more patches on a leaking canoe. We want to see  
17 some re-engineering changes that are serious or, in the latest  
18 corporate jargon, more "out of the box" thinking. Thus I am  
19 pleased to hear that the Board seems to be considering just that  
20 and not just some more rule tweaking.

21 However, then it gets to the real question of what  
22 re-engineering would really help. As I said before, corporate  
23 practitioners are frustrated because most of them do not know  
24 enough about the details of the Byzantine complexity of

1 interference practice to even make intelligent rule suggestions  
2 or even participate in the committees. For years I was the only  
3 one that showed up from a corporation in the AIPLA.

4 In brief, we want major changes coming from the Patent  
5 Office that will help the 99.9 percent of the Patent Bar who  
6 regard interferences as the bane of their practice, and who pay  
7 for them. We do not want to pay for more changes that just make  
8 life easier for Board members, either.

9 Getting back to what I said before, I think the proposal we  
10 are most concerned about with this new trial system is will it  
11 accomplish the reforms that we have been specifically requesting.  
12 To summarize those reforms, the most important are stopping  
13 inappropriate, unnecessary interferences up front, fast and  
14 cheaply, with summary judgments. I am calling them summary  
15 judgments, even though, as you all know, that is a very limited  
16 term in interference practice under the present rules.

17 Especially stopping interferences where there is no real  
18 interference at all--no actual priority of invention contest.  
19 The worst of that situation in particular is where junior  
20 patentee parties do not even have so much as a prima facie  
21 priority case or interferences subject to [35 U.S.C.] § 102 or  
22 § 135(b) statutory bars, even though Fred tells me there is no  
23 such thing as a § 102 bar in an interference, but there are some  
24 close cases, I think, or interferences over unpatentable subject



1 matter for other reasons.

2 I will discuss that in a little more detail later if I have  
3 time. Cut me off if I run over, okay?

4 Getting back to why it is important. It is of vital  
5 importance from the corporate viewpoint that dispositive issues  
6 be summarily decided before the parties are forced, as they are  
7 now, to spend, up front, up to hundreds of thousands of dollars  
8 and a great deal of wasted time within the first three to four  
9 months of an interference. That is the present system.

10 That is because we are required to raise, support, and  
11 respond to every possible motion topic plus all the research for  
12 the preliminary statements in that very brief initial time  
13 period. I am concerned that the system being proposed may make  
14 that worse.

15 This very heavy front-loading of the interferences, and  
16 interference costs and burdens under the current procedure is a  
17 great waste of time and money, since almost all of the issues  
18 that we are now forced to raise all at once in one short motion  
19 period become moot or never get decided.

20 All those rush-filed papers are simply, typically ignored by  
21 the Patent Office for approximately two years and then not  
22 actually ruled on by anyone for yet another two or three years,  
23 if ever, and only if repeated in final briefs. The first part of  
24 that I hope will get changed by this new system.

1           This unique and arcane procedure has not shortened  
2 interference proceedings, it just runs up bills and paper work.

3           Furthermore, this procedure is completely at odds with  
4 modern, normal, and common sense jurisprudence, which allows  
5 litigation to be promptly disposed of on any one dispositive  
6 issue before costly time-wasting by the parties and the judge on  
7 every other possible issue. Would any good district court judge  
8 drag parties through a multi-year, multi-issue, patent  
9 infringement suit when one fatal defect in the patent could end  
10 the litigation before it even starts by summary judgment? Only  
11 someone who has spent too long in interference practice would  
12 think that is logical, or someone who is not yet been disabused  
13 of the myth that long interference delays are due to the parties  
14 when we all know they are due almost entirely to the Patent  
15 Office.

16           Well, I think you get my point.

17           (Laughter.)

18           If the proposed new procedure is going to increase rather  
19 than decrease the heavy, front-loaded legal costs and workloads,  
20 we are against it. Yet my understanding--and I hope it is wrong  
21 because I only heard a little bit about it--is that the Board may  
22 be considering forcing all parties to take up-front  
23 cross-examinations, which costs us more than \$1,000 an hour, of  
24 every declaration on every motion before deciding anything.

1 I lack tactful words to fully express my opinion on that  
2 subject. We are not bottomless gold mines. We do not think that  
3 the Patent Office should be imposing major legal cost increases,  
4 certainly not for small companies or private inventors, and it  
5 seems to me to be moving even further away from a normal summary  
6 judgment system.

7 Again, as I said at the very beginning, this is not a silver  
8 bullet for every case, but I do think a significant number of  
9 interferences could be eliminated up front.

10 Now I am going to get into the AIPLA resolution. I just  
11 want to read the AIPLA resolution and then I will end. In  
12 particular, we strongly urge your immediate adoption of the  
13 specific interference reform resolution passed by the AIPLA Board  
14 of Directors just this year, which reads as follows:

15 RESOLVED that the AIPLA is in favor of having  
16 Administrative Patent Judges require patentees who are  
17 junior parties to interferences by more than three  
18 months to make a prima facie showing of priority with  
19 respect to the effective filing date of the senior  
20 party, analogous to the present requirement of 37 CFR  
21 § 1.608(b) for prospective junior party-applicants  
22 before the interference may proceed.

23 The AIPLA Board feels that this change could effectively  
24 reduce inappropriately litigated interferences. I have a number

1 of other specific suggestions, more bullets, which we think could  
2 also make some other changes or improvements. Ray Green has some  
3 specific suggestions that tie into this in terms of how to handle  
4 motion periods that we think will be more efficient.

5 Thank you.

6 MR. PERRY: We have been waiting to hear from Senior Judge  
7 Fred McKelvey. Last spring Fred prepared a helpful hints  
8 paper, which he distributed to members of AIPLA and ABA  
9 interference committees. I know I found them to be invaluable  
10 and I am sure that everything he has to say now is going to be  
11 just as invaluable.

12 JUDGE MCKELVEY: I was volunteered Army-style by the Chief  
13 Judge, to say something today, so I am here. Thank you.

14 As Judge Stoner mentioned, we are going to establish a Trial  
15 Section, and we will accomplish some, if not most, of the  
16 objectives that were mentioned by Jerry Voight.

17 I think that Jerry Voight's comment about the lack of  
18 uniformity in interferences will be solved by a Trial Section.  
19 There will be a standard declaration order that will cover a  
20 multitude of items that should help both you and us. There are  
21 copies available here so everybody is free to pick up copies on  
22 the way out. There will also be a standard preliminary motion  
23 order and a standard testimony and briefing schedule. The latter  
24 may end up being two orders, depending on the situation.

1           The orders do not have due dates at the end of the order, as  
2 Jerry suggested, although I am going to give that some thought.  
3 I can tell you that all due dates are in bold. If the date is  
4 not in bold, it is because it is not significant.

5           (Laughter.)

6           For example, in an order we may mention dates of this, that,  
7 and the other, but if it is in bold, that is a due date. It is a  
8 practice that I picked up from a district court judge who also  
9 has an order that did not have all its dates at the end.

10          I can tell you one reason why we do not put the dates at the  
11 end, and that is so that people will read them. I guess in the  
12 ideal world, I would have each counsel initial each paragraph and  
13 send a copy back to me. Of course, they might ask me to do the  
14 same with their brief, and maybe that would be fair. In any  
15 event, I may take up Jerry's idea, and say in these various  
16 paragraphs, "as set forth in the last paragraph of this order,  
17 you are required to do so and so."

18          Another concern we had was, if we have two different dates  
19 for the same item, there could be a conflict there.

20          Providing copies of files has been a definite problem.  
21 There were various suggestions, such as "You could let us know we  
22 are going to be in an interference and we could order the files  
23 ahead of time," and so forth and so on. I might give you a  
24 little hint on how we are going to handle file copies. There is

1 a time period called "the black hole of interferences," which is  
2 the time period between when the Examiner decides there should be  
3 an interference and the time it is declared.

4 I picked up one today where the Form PTO-850 was signed in  
5 January of 1997, but it reached the Board in February of 1998.  
6 You figure that out. That is thirteen months. There was a  
7 notice in the patent file that you might get involved in an  
8 interference. That was July. Then it came to me. I can assure  
9 you that the Rule 609(b) statement was unsatisfactory. It is  
10 going back to the Patent Corps. So there is this black hole, now  
11 essentially a year and three-quarters, where nothing has  
12 happened.

13 What we intend to do is to note very carefully the day it  
14 comes to the Board. We are going to try in seven days to make  
15 sure that there are certain things there: all the files, a Form  
16 PTO-850, and a Rule 609(b) statement. If any of those are  
17 lacking, it goes back to the Technology Center with an E-mail,  
18 and these will be documented dates. We are going to try to  
19 figure out a way to let both counsel know what has occurred.  
20 Then you can go back to the Technology Center if you wish and  
21 find out why your case has not moved.

22 If it has all those items, then we are going to take a look  
23 at the Rule 609(b) statement and the Form PTO-850. Depending on  
24 the circumstances, but within one month, either an interference

1 will be declared or it will go back. When I say it goes back, I  
2 mean the whole thing goes back, including the files and all  
3 papers. Again, we are going to create a nice little record of  
4 this. We will try to let the counsel know what the problem is.

5 We may be impeded by 35 U.S.C. § 122 a little bit. Maybe we  
6 can redact the opponent's information in the E-mail.

7 My least enjoyable part about interferences is where are the  
8 files. As much as six months ago, I was thinking maybe I would  
9 talk to the Chief Judge and do ex parte cases. You cannot work  
10 on an ex parte case when you do not have the file. Generally  
11 nobody is trying to order it, so when you do get it, you work on  
12 it.

13 Basically, as I mentioned before, all the files must be  
14 there. All the benefit files and the involved files must be  
15 there before we are going to do anything. If not, it is the  
16 examining corp's problem fundamentally. They are not supposed to  
17 send it to us without all the files. There is no way you can  
18 tell if somebody should be accorded benefit unless you have  
19 looked at that file.

20 So we will have the files. The difference between what may  
21 occur in the future and what happened in the past is we are not  
22 going to let those files out. Period. If Commissioner Lehman  
23 wants to see the file, we have to figure out a way to tell the  
24 Commissioner that, when I am inclined to let him see it, he can

1 see it. Basically, these files are not going out. Why? Because  
2 we want you to order them from us as a part of the interference,  
3 and you have fourteen days to do it.

4 Now Pat Rowe mentioned the deposit account. I had a recent  
5 interference in which Danny Huntington [a member of the audience]  
6 is involved. I am going to talk about that case a little bit.  
7 Sixty files. Danny's account had money in it. His opponent's  
8 did not. Those files go out today, when I thought they were  
9 going out last Friday. If you do not have the money in your  
10 deposit account, Pat cannot fill it.

11 What we are going to do is take those orders and put them  
12 in the files and send them over to what is now called the Office  
13 of Public Records--DSD is now old jargon. Both parties get them  
14 at the same time. If you do not order the file in fourteen days,  
15 that order is going over anyway. If you come in and say, "Well,  
16 I did not order my file on time," you have a real problem because  
17 no extension of time is going to be granted based on your failure  
18 to timely order that file. The interference is going to go  
19 forward.

20 What we hope to accomplish by this is this: we have all the  
21 files, we get the two orders, and you get your files. As Pat  
22 says, you should receive copies within fourteen days from the  
23 date he receives the order. So basically, within five weeks you  
24 should be ready to have a conference call to set times for taking



1 action during the preliminary motion phase of the interference.

2 Preliminary statements were mentioned both by Paul Morgan  
3 and by Jerry Voight. Our proposal is to have those served  
4 relatively early and opened early. They are open a week after  
5 they are served. The only reason for not having them just served  
6 without being open is because things can cross in the mail.  
7 Since express mail is very fast, you might actually receive your  
8 opponent's statement before you have to send your statement.

9 The comment by Jerry about settlement discussions is a very  
10 interesting comment that I had not appreciated. That is what  
11 these meetings are all about. I made a note here that the  
12 attorneys are not our enemies.

13 (Laughter.)

14 And that attorneys have client problems. You know, I used  
15 to have a client here. Now the current client, of course, was  
16 never a problem, but all the past Commissioners--except Jerry  
17 Mossinghoff--were problems at one time or another, not doing what  
18 you want them to do. You know what I mean. Which is another way  
19 of saying they do not follow your advice.

20 I once saw a district court judge tell the court reporter,  
21 "You stop recording and I want to talk to these two folks." This  
22 was not my government client, it was the private client. "Are  
23 you having problems with your client, and is there something I  
24 need to put in this order to help you get that client to do

1 something?" Believe it or not, the attorney said, "If you would  
2 put so and so in, it would be very helpful." Then the judge  
3 said, "you can now come back on the record."

4 You can imagine what was in that order. I later asked that  
5 lawyer about it, and he said he had no more problems. So there  
6 are ways to get things handled the conference calls, and most  
7 business will be that way. If you need something in an order to  
8 help you convince a client that it is the bad guy in Arlington  
9 that wants this done and not you, that is perfectly fine. I mean  
10 that is just sort of, shall we say, working the system and  
11 administering justice in a reasonable way.

12 There will be no requirement for conference calls with other  
13 attorneys on Rule 633 motions. My own experience is that is  
14 counter productive. However, on Rule 635 motions, I have used a  
15 practice for some time now that has not only cut down on the  
16 motions, but I think leads to counsel being reasonable, and that  
17 is no Rule 635 motions may be filed without a conference call  
18 first to the judge.

19 Why? First of all, the party making the motion has to say  
20 "I am going to have to tell that Judge what it is I want, and  
21 what I want is not really passing the 'ha ha' test."

22 If you do have something that is good, then the opponent is  
23 in that same position, "I am going to have to tell the judge I am  
24 not going to give him the rest of the document that he is asking

1 for, after I put half of it in evidence and he just wants to see  
2 the rest of it," and that is going to have to be explained to the  
3 judge. That motion is granted with no paperwork. Right then and  
4 there, turn it over, it will be sent by FEDEX by four o'clock in  
5 the afternoon. I then assume that is the end of the problem.

6 If it is a complicated matter, have a court reporter on the  
7 line. We will take the motion and the opposition orally, and we  
8 will decide it right then and there. This is done all the time  
9 in trial courts, but if it is too complicated, we may ask for  
10 papers. Either way, most of the time it should be able to  
11 resolve itself.

12 Somebody might ask, "Can I tape record a conversation?" The  
13 problem will be that the other counsel does not trust your tape  
14 recorder. They will trust a court reporter. So you can work it  
15 out. You may want to make a record of this matter. Most of the  
16 time that I have had a court reporter on the line, there never is  
17 a problem.

18 If you have a problem during a deposition, then you should  
19 definitely call us with the court reporter on the line so they  
20 can read back the question these "unreasonable" people are not  
21 answering. That tends to cut down on the "do not answer that  
22 question" instruction.

23 One time I got three calls in one day. I told them, if I  
24 get a fourth one, you will be in my garage in Dale City,

1 Virginia, on Saturday--this was a Thursday on a deposition in  
2 L.A.--and there will be a court room there, it may not be fancy,  
3 with a court reporter, and we will get this handled.

4 As I said, it took care of itself really quickly. I never  
5 saw those people. In fact, they settled the case. You know, we  
6 have a courtroom in Arlington, Virginia. We will just have you  
7 come, court reporter, witness, and lawyers, and sit right there  
8 and we will direct people to answer if it becomes necessary.

9 There were some other things that I would like to comment on  
10 so as not to take too much time. We will set our times with  
11 conference calls, so it behooves counsel to talk and figure out  
12 where they are going to be. We will try to schedule matters so  
13 they can be decided, so that you do not have to hurry up and then  
14 wait.

15 You should feel free to place a conference call. One thing  
16 we do not want is an ex parte call to us to discuss what we are  
17 going to talk about in a conference call. I find that very  
18 objectionable. We have Administrator Mel Cashion over here. You  
19 can call Mel and say "I need to talk to the judge about such and  
20 such, and somebody will be available," but ex parte conferences  
21 with the judges are not appropriate and our orders will make that  
22 clear.

23 One thing we are going to authorize that was not authorized  
24 in the past is if you want to file a ZIP drive or CD ROM disc at

1 the preliminary motion stage or at the final briefing stage, you  
2 are free to do so. Your opponent does not have to. This is  
3 something that is strictly up to the parties. I have found discs  
4 very useful in trying to find evidence. What would be on a disc  
5 could be the specifications, it could be the testimony--by that I  
6 mean the direct testimony in affidavit form--the cross  
7 examination, typewritten exhibits that you may have, and so  
8 forth. The briefing papers, for example, might be included.  
9 Then it is very easy to find whether an argument was made. You  
10 cannot always tell that one was not made.

11 There are certain things in this order that may help your  
12 case, even though they may be viewed as somewhat of a pain in the  
13 neck by the lawyers. When an expert witness affidavit comes in,  
14 we want the underlying facts and basis for that opinion. The  
15 Federal Rules of Evidence authorizes courts to require that and  
16 we want it because it goes to the very weight we are going to  
17 give the testimony.

18 The option is to wait for cross examination. However, if it  
19 is in the affidavit itself, it can go a long way to eliminate  
20 cross examination if the opponent sees there is a decent basis,  
21 particularly if it is backed up with documentary evidence of some  
22 sort.

23 The same applies to scientific tests. We often get  
24 testimony and arguments about a certain test and we are not

1 exactly familiar with all these tests so we want you to explain  
2 the test. In other words, you measure the infrared of this  
3 compound and give us a graph. Well, we want a description of  
4 what that test is and how it works and examples of it and so  
5 forth, so we know exactly what weight to give that testimony.

6 I think these are just a few items that help you understand  
7 where we are coming from. It is one of these things that needs  
8 to be sort of a mutual appreciation. We to some extent live in  
9 our little world and assume everybody knows what is going on in  
10 it. I think lawyers tend to live in their little world and know  
11 a case a whole lot better than we do. What we are talking about  
12 here is being able to translate to you what we know that you do  
13 not and vice versa. So we are telling you that we do not always  
14 understand these scientific tests and we would like to have some  
15 information.

16 I will talk about two other things. A practice that I have  
17 used that has been very helpful is uniform numbering of exhibits.  
18 We would like the junior party to start with exhibit number 1000.  
19 All exhibits must be labeled consecutively. No two exhibits have  
20 the same number. If an exhibit is 1000 here, it is 1000 with the  
21 next witness, and it is 1000 with the third witness. It is 1000  
22 whenever you want to talk about it. If you never introduce 1000  
23 into evidence, that is fine, but there will be only one  
24 throughout the whole case.

1           The senior party's starts with 2000. This immediately tells  
2 us whose exhibit it is when we see the number and there will not  
3 be two with the same number throughout the entire case. Exhibit  
4 1000 in Paul Morgan's deposition is the same Exhibit 1000 in  
5 Jerry Voight's deposition. We do not have to guess at it.

6           Lastly, I would like to close with this thought. The most  
7 difficult problem that I have had in interferences is the  
8 oppositions and the replies, especially the replies. While I am  
9 a little bit reluctant to tell people how to argue their cases,  
10 the fact of the matter is you cannot sort out what the issues are  
11 in these cases as easily as it might seem. So we are going to  
12 highly recommend, if not require, that when you file an  
13 opposition, what you say is, "On page two of that motion, it is  
14 argued \_\_\_\_\_ and my answer is \_\_\_\_\_," or in a reply  
15 you say, "In the opposition, on page six, line eight, it is  
16 argued \_\_\_\_\_ and my answer is \_\_\_\_\_." That is a simple  
17 way of making sure no new issue is raised. Quite frankly, I have  
18 reached the point where if a new issue is raised in a reply, I  
19 just send the whole reply back. If I cannot tell what is new and  
20 what is not, why waste my time. It is really unfair to the  
21 opponent to raise a new issue at the end. So if you will follow  
22 our little suggestion, you will be fine. In fact, your reply  
23 should be this simple: "This is in reply to so-and-so's  
24 opposition. On page two, he argues this. Here is my answer."

1 None of this restating your case. If we do not know it by the  
2 reply, then we do not know it.

3 Now, Judge Schafer limits things to fifteen pages. I  
4 reasoned with him a little bit and, after buying him a couple of  
5 lunches, he agreed to go to twenty-five. Why twenty-five?  
6 Because after it gets to thirty, when I am on page thirty-one, I  
7 forget what was on page one, and when I get to page thirty-two, I  
8 forget what was on page two. I am getting older so I am just  
9 sort of getting ahead of it a little bit by having a page limit  
10 of twenty-five.

11 Jerry Voight had a case with me where clearly more pages  
12 were needed. It was obvious it needed more, we agreed to have  
13 more and, as a matter of fact, the motion never got filed. It  
14 went off on a different track. We recognize it sometimes takes  
15 more, but still, when I reach page thirty-one, I will have  
16 forgotten what was on page one.

17 MR. VOIGHT: I probably would have, too.

18 JUDGE McKELVEY: So on the way out you can pick up copies of  
19 these three orders. I guess I should say one more thing. We are  
20 going to ask people to put a pink sheet right on the top on every  
21 paper filed in an interference because this helps route it  
22 through the Board and get it to the people who are going to  
23 docket papers. Another internal problem we have sometimes is  
24 moving our own papers through. So buy a good supply of pink



1 paper and put one on each filing.

2 It will also make it easier for those of us and you who have  
3 to use the interference file because there will be a pink sheets  
4 between each paper in the file, which should help matters  
5 considerably.

6 So, with that, I will turn it back to you, Lawrence.

7 MR. PERRY: Thank you, Fred.

8 MR. PAINTIN: Could I ask Fred one question?

9 JUDGE McKELVEY: And your name, Frank, so the court reporter  
10 knows?

11 MR. PAINTIN: Frank Paintin. On the idea of requiring  
12 people to order copies in fourteen days, there is a little bit of  
13 a problem with that. Many interferences are declared while the  
14 file is in the hands of the attorney who prosecuted the case.  
15 The client hears about it after the declaration and he may not  
16 get it for a week. I mean literally, Washington to New York mail  
17 often takes one week and if somebody says it takes ten days, I  
18 will believe them.

19 At any rate, then there is a problem where the client says,  
20 well, I do not want Joe Dokes to handle the interference, I want  
21 a real expert like Jerry Voight to handle it. He may not get  
22 that in fourteen days. I would respectfully suggest you say  
23 twenty-one, at least, because the mail just--

24 JUDGE McKELVEY: So if you used FEDEX, you would get it the

1 next day, you would eliminate the seven, and we would be back to  
2 fourteen?

3 MR. PAINTIN: You mean if you send it out FEDEX?

4 JUDGE McKELVEY: No, if you send your letter FEDEX.

5 MR. PAINTIN: No, I am not worried about that, I can fax my  
6 letter to you. But the declaration--

7 JUDGE McKELVEY: All declarations are forwarded to counsel  
8 via Federal Express.

9 MR. PAINTIN: Okay, that is--

10 MR. MORGAN: I think I can explain Frank's problem more  
11 directly. The typical notice of interference is received by an  
12 attorney who does not know anything about interferences, does not  
13 know what it means, does not understand it. It is going to take  
14 him, in many cases, a month or two to find out who is an  
15 interference expert that he can hire to work on this case for  
16 him, and then that guy has to get involved in it.

17 You hear so many times that interference papers go to people  
18 who are competent. They do not. They typically go to somebody  
19 who does not know anything about it.

20 RAY GREEN: I have some comments that I would like to make.

21 COMMISSIONER DICKINSON: Paul, you should know that one  
22 practitioner has suggested that we make the declaration of all  
23 interferences available to everyone on the stated purpose that,  
24 if they were available to everyone, those of you who specialize

1 in interference practice would be able to monitor them and mail  
2 CVs and other important information to speed up that process.

3 (Laughter.)

4 I will not tell you who that was. You might guess, but I  
5 will not tell you.

6 MR. GREEN: My name is Ray Green. I am with Brinks, Hofer,  
7 Gilson & Lione in Chicago, in private practice. I used to be an  
8 in-house counsel at a corporation, so I can empathize with Paul  
9 Morgan a great deal.

10 First of all, I would like to thank Chief Judge Stoner and  
11 others who have worked to improve interference practice in the  
12 last few years. We have been making some progress, but we need  
13 to make a lot more. I have reviewed advance copies of Paul  
14 Morgan's speech and I agree with most of what he has had to say.  
15 I agree with most of what everybody has had to say.

16 Paul's speech stimulated in me a plan, which I have here to  
17 present to you, which might help. I read Paul's speech as saying  
18 here is what the problem is and I said, okay, how can we solve  
19 that. So I have some copies of this to hand out to you.

20 I chair the AIPLA Interference Committee for the next year,  
21 but what I have to say reflects my personal views, not  
22 necessarily those of any law firm, its clients, the AIPLA, or the  
23 Interference Committee.

24 The problem with interferences today as I see it is that

1 interferences try to accomplish too much. In 1984, Congress told  
2 the Board that they may decide questions of patentability, a  
3 jurisdiction that is highly desirable to avoid absurd results  
4 when the Board is aware of non-patentability of claims of  
5 interference parties.

6 Given this expanded jurisdiction, it became the mission of  
7 the Board to settle all issues that were raised and decided in  
8 the interference, or could have been raised and decided by  
9 preliminary motion, and that is written into [37 CFR §] 658(c) on  
10 interference estoppel.

11 While it would be nice to decide all disputes between  
12 parties of an interference, the Board just does not have time to  
13 do so and will not until Congress lets the Patent Office hire all  
14 the judges the Board needs to decide all issues raised in  
15 interferences. We need to prioritize.

16 I propose that the motion period be organized into four  
17 phases, the first of which could be before the interference is  
18 formally declared.

19 First is the identification and [37 CFR §] 608 phase. Each  
20 party would be required to identify its real party in interest;  
21 any known existing interferences or appeals that will affect or  
22 be affected by or have a bearing on interference subject matter,  
23 which could be identified prior to declaration of the  
24 interference as the claims which are expected to be designated as

1 corresponding to the counts of the interference; and, third, any  
2 prior art or other information known to the party that is  
3 material to the patentability of the claims.

4 Each junior party patentee should be required to provide  
5 declarations of invention prior to its opponent's effective  
6 filing date, analogous to those of Rules 608(a) and (b) for  
7 patent applicants, before the interference proceeds.

8 Second would be the privileged motion phase. Any motion  
9 alleging that the interference ought not to have been declared  
10 because the claims were not patentable over prior art or not  
11 supported by an opponent's specification, or that there is no  
12 interference-in-fact or otherwise, should receive preferred  
13 status and be decided before other motions may be filed. Any  
14 substantive motions not alleging that the interference ought not  
15 to have been declared should not be filed, or if filed, should be  
16 dismissed as premature, until the privileged motions are decided.

17 Third would be the preliminary statement phase. Upon  
18 decision of the privileged motions, the interference would be  
19 either terminated without other preliminary motions having been  
20 filed or decided, or the parties would be ordered to file  
21 preliminary statements. Soon after preliminary statements have  
22 been filed, they should be served on opponents and open on the  
23 record.

24 Fourth would be the traditional preliminary motion phase.

1 After decision on motion, or by default in the absence of a  
2 motion, that the interference is properly declared, preliminary  
3 statements are exchanged and other preliminary motions would be  
4 in order. The interference would then continue as in the present  
5 practice.

6 We need to suspend interference estoppel with respect to  
7 matters not actually decided but which could be properly raised  
8 in all cases which do not reach final hearing, so as to avoid the  
9 need for interference parties filing every conceivable motion,  
10 under pain of not being able to ever raise the matter in the  
11 Patent Office again. This is partially addressed in the above  
12 scheme by dismissing some motions as premature and terminating  
13 the interference if it is determined that it should not have been  
14 declared.

15 The Interference Committee's goal for 1998-99 is to make  
16 priority determinations in interferences speedy, just and  
17 economical. I welcome your suggestions as to how we can help the  
18 Board do this.

19 Next, a practical suggestion. I would like to suggest that  
20 there be a common telephone extension available if you want to  
21 talk to one of the Patent Administrators. In one of the cases I  
22 am handling, the judge has said, "I do not want to hear any ex  
23 parte phone calls. If you want to talk, do it by conference  
24 call. If you want to have a conference call, call one of the

1 Administrators."

2 That is fine, but when I call the Administrators, the  
3 Administrators are busy people, it takes awhile to get a return  
4 phone call. If there was one number assigned that some  
5 Administrator was responsible for answering and returning my  
6 phone call, I could get a phone call back the same day and we  
7 could get our conference call set up the same day rather than  
8 taking three days to set up a conference call that is probably  
9 going to take five minutes.

10 The Interference Committee is meeting tomorrow afternoon at  
11 4:00 p.m. in the McLean Room on the second floor of the Marriott  
12 and you are welcome to continue this discussion to the extent  
13 that anybody would care to. You are all welcome to come.

14 Finally I ask you again, what can we do to help you help the  
15 situation with interferences. Thank you.

16 MR. PERRY: Are there some more comments on any of the  
17 proposals or preliminary comments that have been made by the  
18 Board or on the scheduling of interferences? Your name?

19 FIRST MEMBER OF THE AUDIENCE: There is a common theme that  
20 it would be nice if we could settle these matters more easily,  
21 but that perhaps there is a misunderstanding that it is just our  
22 clients who get in the way because there are other issues that we  
23 should resolve. Sometimes our clients are quite happy and want  
24 to get rid of an interference, but there are some things that get

1 in the way.

2 The first of these is the estoppel issue. We have heard  
3 comments on that. Another of these, though, is that the parties  
4 sometimes agree that we need a three-count interference, not a  
5 one count interference, and we have five other applications  
6 pending that need to be brought in, and we need to resolve all  
7 five applications and all three counts. The problem is that this  
8 can waylay that settlement that we all arrived at.

9 I would suggest that if there is some way, either by not  
10 needing to bring all of them in or by getting such motions  
11 resolved quickly or perhaps consent being allowed and simply a  
12 rubber stamp, that it would be very helpful.

13 SECOND MEMBER OF THE AUDIENCE: I think what I heard here is  
14 what I get from clients on every interference. Why is not there  
15 some stage motion perhaps. Why do I have to spend money on  
16 fifteen contingent motions because you think maybe the count  
17 should be different in one of two ways, and then all the other  
18 motions have to be redone three times because of all of that.  
19 That is what we get over and over.

20 I just got motions in an interference. Twenty-five motions,  
21 ten of which are contingent, depending on what happens with some  
22 of the other motions. We spent a lot money on that. Two out of  
23 six were contingent on our side and the clients should not have  
24 to pay for that. There is just no reason for that.



1 MR. PERRY: Anybody else?

2 THIRD MEMBER OF THE AUDIENCE: I just want to comment on Ray  
3 Green's paper. That sounds like a very good idea so you can  
4 avoid a lot of the wasted time and motion. One constraint,  
5 though, is getting rid of interference estoppel. I do not know  
6 that the Commissioner has the authority to do that because there  
7 is a lot of law behind that. Any comments on that issue? Would  
8 that require a statutory fix?

9 MR. GREEN: The interference estoppel that I want to get rid  
10 of is what is written into the rule that says the interference  
11 decides everything that could have been decided by motion, even  
12 though it was not decided. That means that you have to scour and  
13 look for all the possible motions that you can find, or you are  
14 never going to be able to raise them again in the Patent Office.  
15 That is not in the statute, that is in the rules.

16 THIRD MEMBER OF THE AUDIENCE: How about common disclosure?  
17 Common disclosure in the case law says that even if there are two  
18 junior parties in the interference, and it is common only to  
19 those two, you cannot present a claim that claims that common  
20 disclosure. That is what I am concerned about specifically.

21 FOURTH MEMBER OF THE AUDIENCE: Fourteen days seems like an  
22 awfully short period of time. You have fourteen days to request  
23 your files after the declaration of interference, to request the  
24 other side's application files, and that is it, you can never

1 have a shot of getting those files again?

2 JUDGE McKELVEY: No, you can order them again. Whatever time  
3 period we set, if you do not order them within that time period,  
4 whatever it happens to be, taking into account what Frank Paintin  
5 was saying, you will be able to order them, but that is not going  
6 to be grounds for holding up the interference.

7 FOURTH MEMBER OF THE AUDIENCE: Oh, all right.

8 MR. ROWE: I would like to add that the key to what Judge  
9 McKelvey and I were discussing was that all of the files will be  
10 on his desk, and then they will come over together for copying  
11 with the order, but once that order is filled and the file goes  
12 back to him, they are "alive and loose" again, so there is no  
13 guarantee how long it would take to fill an order that you put in  
14 a month, two months later, saying "I want another copy" because  
15 it is moving at that point.

16 Again, the whole purpose of this is to, in effect, freeze  
17 those files, get them all made before people get a chance to come  
18 in and take them individually and we have lost the package.

19 FIFTH MEMBER OF THE AUDIENCE: Would a possible solution be  
20 to make an extra copy once it gets to your office? Then if  
21 someone wants to get a later copy you have a copy.

22 MR. ROWE: We make a "library copy" that we keep for a  
23 period of three to six months, but most often people ask, "Has  
24 anything else been filed, is there another paper, has anything

1 else been added?" So it is a two-edged sword having a library  
2 copy. Sometimes you have to go back and verify if anything  
3 changed, has anything else been entered.

4 JUDGE McKELVEY: I might add to that, there is a space  
5 problem with just having extra files. In fact, part of our order  
6 will be that we really do not want evidence filed with motions.  
7 When the time comes for deciding preliminary motions, we will ask  
8 for three copies. Also at final hearing. So we do not have to  
9 store these or risk losing them.

10 SIXTH MEMBER OF THE AUDIENCE: How do you want to handle the  
11 references we invariably find when we start looking for prior  
12 art? To find these references, we are going to have to cite them  
13 in our applications eventually. Do you mind if we submit them in  
14 the application file without filing a motion during interference?  
15 The problem is, after three or four years, you might forget to do  
16 that when the file goes back to ex parte prosecution.

17 JUDGE McKELVEY: I think that is pretty easy. You can file  
18 it in the application file, but I am not going to look at it  
19 unless somebody tells me what it is I have to look at.

20 SIXTH MEMBER OF THE AUDIENCE: That is fine. Is that a  
21 general consensus?

22 JUDGE McKELVEY: But if you do that, you have to serve the  
23 other party once that application is in interference. I am sure  
24 if there is something good in there, they will call it to my

1 attention.

2 SEVENTH MEMBER OF THE AUDIENCE: Is there any uniform policy  
3 about giving time for settlement discussions if parties are in  
4 good faith negotiations, whether or not whatever state you are in  
5 will be stayed, and for how long is reasonable?

6 JUDGE McKELVEY: Yes, we have a fairly uniform policy about  
7 that, as a matter of fact. There are two schools of thought on  
8 that matter that I experienced in my time as Solicitor. One of  
9 them is the District of Columbia view--let everything sit around  
10 and eventually it will get decided. It works.

11 Then there is Judge Bryan's view--the trial is on Tuesday,  
12 you can bring me a settlement agreement or be ready to try the  
13 case. My experience is that the Judge Bryan view precipitates  
14 settlements a whole lot faster and moves matters along,  
15 especially when counsel know. That is not to say you cannot  
16 call, but this general notion that you are going to settle  
17 whenever you get around to it just tends to take a whole lot of  
18 time.

19 If you have a good reason, you should make a call to us, but  
20 the general rule is file your paper or settle the case. Or I  
21 should maybe state it the other way around: If you settle the  
22 case, you do not need to file your paper.

23 These are two schools of thought. They both work. I have  
24 seen them work. One is more efficient.

1 SEVENTH MEMBER OF THE AUDIENCE: One also has the effect of  
2 stifling settlement. I have clients in different countries and  
3 if you settle and file a paper, it creates a public record of a  
4 lot of things that you would just as soon get settled. Sometimes  
5 it just takes time, corporations need time to get decisions.

6 JUDGE McKELVEY: I understand that, but sometimes, if it is  
7 in the order and you can show the order to the client right up  
8 front, it tends to help. I think it is when the policy is not  
9 announced that it complicates life with the clients, but if you  
10 see it right up there in the front end of things, in the last two  
11 years, I have not had a single case where anybody asked me for an  
12 extension to settle a case. Not a single one. So maybe they  
13 have different clients.

14 EIGHT MEMBER OF THE AUDIENCE: In many biotech cases we have  
15 received requests at the initial stage asking for explanations on  
16 the invention in lay terms. Is this policy going to be  
17 continued?

18 JUDGE McKELVEY: In my case it will. I understand English  
19 and Spanish. I do not understand "biotech-ese."

20 EIGHT MEMBER OF THE AUDIENCE: Well, part of the problem I  
21 have had is sometimes you get an explanation of what the  
22 invention is and sometimes it goes all the way back to Watson and  
23 Crick. Very elementary stuff, it does not really help anybody.

24 JUDGE McKELVEY: Well, my explanation is you are not allowed

1 to use any word like "encodes," you say "makes," and things of  
2 that kind. I have received excellent papers, excellent, and they  
3 are only ten pages long, and they have been very helpful. I have  
4 not sensed any problem. I think people should know that I am not  
5 going to hold somebody's feet to the fire on that paper. These  
6 have to be recognized to be over-simplified statements that, once  
7 you get into the merits of something, maybe are not quite a  
8 hundred percent accurate. As soon as the opponent comes back and  
9 says, "yeah, but in that brief paper, so and so said this," I am  
10 going to say, "yeah, he did, but so what? That was just to  
11 educate me. What is your next argument."

12 I mean it has to be that way or people will be reluctant to  
13 do this because it is necessarily over-simplified. If you look  
14 in the Commissioner's brief in In re Vaeck, [947 F.2d 488,  
15 20 USPQ2d 1438 (Fed. Cir. 1991)], this took place.

16 There needs to be some humor here. There has not been any  
17 humor today.

18 (Laughter.)

19 In re Vaeck was a biotech case where an A is hooked onto a B  
20 is hooked onto a C. That is for your benefit, Jerry, and mine.

21 Administrative Patent Judge Teddy Gron, who is very savvy in  
22 these matters, wrote a brief for me when I was Solicitor and he  
23 was an Associate Solicitor. It came in for review and I said,  
24 "My gosh, this is not in Spanish or English," and I said, "I want

1 a summary in here that is in plain English, and I do not want any  
2 biotech words. None." He did a fairly good job of writing it  
3 up, of course, and for whatever reasons, I decided to argue this  
4 case. I was very worried that Judge Rich would be on the panel.  
5 So in this over-simplified statement that we put in our brief, we  
6 said "It is like a road map to get from Washington to Richmond  
7 without all the speed limits and the stop signs and all this,  
8 that, and the other."

9 Well, don't you know, I get over to the court and guess who  
10 is the presiding judge. I started in, using the As and the Bs  
11 and the whatever and Judge Rich said, "Isn't that  
12 over-simplified?" I had told my troops that this would happen.  
13 So I went to section two of the brief and started talking about  
14 encodes and vectors and this and that and the other, whereupon he  
15 finally said, "I am having a hard time understanding this." I  
16 thought, "Gotcha, Judge."

17 Judges Archer and Mayer were also on the panel. They both  
18 chimed up that they would like to see this in the brief from now  
19 on. I always thought that was nice, Judge Rich got overruled two  
20 to one, right there on the bench. It was oversimplified--Judge  
21 Rich was right to make the point--but it helped.

22 NINTH MEMBER OF THE AUDIENCE: I wanted to suggest, in light  
23 of the comments on not holding a party to what they say in that  
24 lay explanation, you may want to consider not making it of record

1 in part of the interference file at all.

2 JUDGE McKELVEY: That is a good point.

3 TENTH MEMBER OF THE AUDIENCE: You might also consider, in  
4 the order requesting it, stating that the party cannot use it for  
5 that purpose and then you have it right on the paper and people  
6 will not be tempted to try to use it.

7 NINTH MEMBER OF THE AUDIENCE: How soon can we expect to see  
8 the implementation of the new procedures?

9 JUDGE STONER: As far as interferences being declared,  
10 immediately. The interferences declared from now on will be  
11 under this new procedure. Interferences that are already in  
12 progress are in progress, but you should see this in a relatively  
13 short period of time. To be fair to the Trial Section, as I  
14 indicated, there are about sixty on hand. My expectation and  
15 their expectation is that it will probably take through the end  
16 of this calendar year and just into the start of the next  
17 calendar year until that group of cases is cleared out, but you  
18 should be expecting to see those really soon.

19 COMMISSIONER DICKINSON: I might mention one other thing  
20 that affects, somewhat indirectly, but does affect this whole  
21 matter we are talking about today. A large part of the challenge  
22 for the Board in how they expedite both ex parte cases and  
23 interference cases is the product they are given to work with  
24 from the examining corps.



1           One thing I would like us to do and I am pretty sure we are  
2 going to move towards it, is establish basically a working group  
3 between the senior management of the Patent Corps and the senior  
4 members of the Board, to come together on a regular basis and try  
5 to figure out strategies for getting a product that the Board can  
6 use more efficiently and effectively: files that are in good  
7 order; expedited handling, if necessary. This black hole problem  
8 concerns me a lot, to make sure we are not down that black hole.  
9 I think a large part of that is that some of these problems can  
10 be addressed early on in just that sort of interface between the  
11 Corps and the Board.

12           Also, we are mindful of trends that might occur in the  
13 interference practice, and they worry us a little bit, with  
14 foreign priority now allowed, and foreign evidence coming in,  
15 that I think can materially affect how we do our job.

16           It has been brought to our attention, and we were aware of  
17 it, the fact that it is likely that we will see more  
18 interferences fought out, particularly in the biotech areas. We  
19 have gene sequence cases. We maybe even see an increase of  
20 interferences declared, but perhaps more than likely the number  
21 of declared interferences may stay roughly the same, but more may  
22 be fought. We have to take that into account in our planning.

23           Interferences are, as someone suggested, a necessary evil of  
24 the first-to-invent system. As long as we have that first-to-

1 invent system, we cannot convince the opponents of that, that the  
2 necessary evil is indeed an evil and hopefully unnecessary some  
3 day. We will try to do our best to make the system work as well  
4 as we can.

5 MR. PERRY: I am sure this is going to continue tomorrow at  
6 the interference meeting. For now, I would like to thank the  
7 panel for their time and all their efforts.

8 (Whereupon, the Interference Roundtable concluded at 4:30  
9 p.m.)

10 \*\*\*\*\*