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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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JOSEPH E. LOUIS and ALAN W. JOHNSON

Junior Party  
(Sauer Inc.)  
(Patent No. 5,513,717)

v.

HIDEAKI OKADA

Senior Party  
(Kanzaki Kokyukoki Mfg. Co., Ltd.)  
(Application 08/818,964)

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Patent Interference No. 104,311

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**DECISION ON SAUER'S  
PRELIMINARY MOTION 20 AND KANZAKI'S MOTION 15**

Before SCHAFFER, LEE and TORCZON, Administrative Patent Judges.

LEE, Administrative Patent Judge.

Introduction

This is a decision on two pending motions:

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(1) Sauer's Preliminary Motion 20 for judgment under 37 CFR § 1.633(a) and 35 U.S.C. § 102(f), alleging that Hideaki Okada did not himself invent the subject matter of Kanzaki's sole claim corresponding to the count, claim 7; and

(2) Kanzaki's Motion 15 to correct inventorship under 37 CFR § 1.634, seeking to change the named inventorship of Kanzaki's involved application from Hideaki Okada alone as sole inventor to Hideaki Okada, Koichiro Fujisaki, and Ryota Ohashi, as co-inventors.

For reasons discussed below, Kanzaki's Motion 15 to correct inventorship is **denied**, and Sauer's Preliminary Motion 20 for judgment against Kanzaki's claim 7 is **granted**.

#### **Findings of Fact**

1. Eight related interferences, including this one, were declared on February 16, 2000, Interference Nos. 104,311 through 104,316 and 104,496 and 104,497.

2. The same Kanzaki application 08/818,964, is involved in each of the eight related interferences.

3. The involved Kanzaki application contains eight copied claims 7-14, one from each of eight different issued patents of junior party Sauer.

4. Each of Sauer's eight different patents is involved in a separate interference with the same Kanzaki application.

5. In this interference, claim 7 is the only Kanzaki claim which corresponds to the count, and the corresponding copied Sauer claim, claim 1, is the only Sauer claim which corresponds to the count.

6. For efficiency purposes, the parties requested and the administrative patent judge approved that the parties would submit exhibits sufficient in number for only one interference and that papers in all related interferences would make reference to the same set of exhibits.

7. At the time of declaration of this interference, the named inventorship of Kanzaki's involved application was Hideaki Okada and Shusuke Nemoto.

8. In a paper filed on March 16, 2000, (Paper No. 16) prior to the setting of preliminary motions schedule on April 4, 2000, (Paper No. 22) Sauer gave notice that it would file a preliminary motion for judgment under 37 CFR § 1.633(a) and 35 U.S.C. § 102(f) against Kanzaki's claim 7 because in its view Hideaki Okada and Shusuke Nemoto were not the proper inventors for the subject matter of that claim.

9. On June 16, 2000, Sauer filed a Motion for Judgment under 35 U.S.C. § 102(f) for Kanzaki's alleged failure to name the proper inventors, on the ground that Kanzaki's named inventorship erroneously includes Shusuke Nemoto. (Paper No. 29)

10. Sauer's motion for judgment under 35 U.S.C. § 102(f) and dated June 16, 2000, cited to the testimony of Shusuke Nemoto in a previous civil litigation between the parties.

11. Also on June 16, 2000, Kanzaki filed a **Motion to Correct Inventorship 5**, to remove Shusuke Nemoto as a co-inventor. (Paper No. 45)

12. On June 23, 2000, Sauer's motion for judgment under 35 U.S.C. § 102(f) was dismissed without prejudice to re-file when and if Kanzaki's motion to correct inventorship was denied. (Paper No. 50)

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13. On August 9, 2000, Kanzaki's Motion to Correct Inventorship 5 was dismissed for failure to present and address the diligence requirement in correcting the alleged error.

(Paper No. 88)

14. On August 11, 2000, Sauer re-filed its Motion for Judgment under 35 U.S.C. § 102(f) for Kanzaki's failure to name the proper inventors. (Paper No. 92)

15. On August 14, 2000, Kanzaki renewed its motion to correct inventorship, this time as Motion to Correct Inventorship 13, and attempting to address the diligence requirement.

(Paper No. 93)

16. On September 18, 2000, Kanzaki's first renewed motion to correct inventorship, Motion 13, was dismissed, on the ground that the attempted showing of diligence was not adequate because the knowledge and actions of Kanzaki's corporate personnel were not addressed. (Paper No. 109)

17. In the decision dismissing Kanzaki's first renewed Motion 13 to correct inventorship, Kanzaki was expressly warned that where an error in the naming of inventorship has been admitted, a failure to make correction may lead directly to entry of adverse judgment.

18. On October 5, 2000, Kanzaki filed a second renewed motion to correct inventorship, this time as Motion to Correct Inventorship 14, attempting to address the issue of diligence with regard to Kanzaki's corporate personnel. (Paper No. 114)

19. On April 26, 2001, Kanzaki's second renewed motion to correct inventorship, Motion 14, was granted. (Paper No. 166)

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20. Also on April 26, 2001, Sauer's motion for judgment under 35 U.S.C. § 102(f), on the ground that Kanzaki erroneously named its inventorship, was dismissed as moot in light of the granting of Kanzaki's Motion to Correct Named Inventorship 14. (Paper No. 167)

21. On May 10, 2001, the times for the priority phase of this interference were set and junior party Sauer had until June 15, 2001, to present its case-in-chief priority evidence. (Paper No. 170)

22. Junior party Sauer served its case-in-chief priority evidence by June 15, 2001.

23. During the time set for senior party Kanzaki to present its case-in-chief priority evidence, which expired on August 31, 2001, Kanzaki served evidence in connection with the issue of derivation.

24. The evidence served by senior party Kanzaki during its case-in-chief testimony period includes Exhibit 1140 and various declarations identifying and discussing Exhibit 1140.

25. Party Sauer had until October 29, 2001, to cross-examine Kanzaki's witnesses. (Paper No. 205)

26. On December 5, 2001, based on evidence served by Kanzaki during Kanzaki's case-in-chief and the cross-examination testimony of Kanzaki's witnesses, Sauer filed Preliminary Motion 20 for Judgment under 37 CFR § 1.633(a) and 35 U.S.C. § 102(f), alleging that Kanzaki's now corrected inventorship naming Hideaki Okada as sole inventor fails to name additional proper inventors. (Paper No. 212)

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27. On January 14, 2002, Kanzaki filed yet another motion to correct inventorship, Motion 15, which seeks to add Koichiro Fujisaki and Ryoto Ohashi as co-inventors with Hideaki Okada. (Paper No. 221)

28. Kanzaki's Motion 15 was filed more than six months after the date on which junior party Sauer had served its case-in-chief evidence on priority.

29. In connection with Kanzaki's Motion 15, Sauer cross-examined Kanzaki's witnesses including Hideaki Okada.

30. The cross-examination of Mr. Okada in connection with Kanzaki's Motion 15 was attended by an administrative patent judge (APJ). The APJ authorized, sua sponte, a "special session" of direct testimony by deposition of Hideaki Okada, conducted immediately prior to the scheduled cross-examination, to allow Kanzaki to introduce any explanatory testimony from Mr. Okada that would support Kanzaki's Motion 15 but was not included in Mr. Okada's declarations. Sauer was permitted to cross-examine Mr. Okada with respect to the direct testimony produced during the "special session" prior to commencing its regular scheduled cross-examination of Hideaki Okada.

31. Kanzaki was permitted to file a supplement to Motion 15 to make reference to and rely on any testimony of Hideaki Okada that was produced during the "special session" of direct testimony of Mr. Okada taken by deposition.

32. On March 7, 2002, Kanzaki filed a supplement to Motion 15, entitled "Supplement to Okada's Motion 15" (Paper No. 243). Hereinafter, any reference in this opinion to Kanzaki's

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Motion 15 is a reference to the combined original Motion 15 and Kanzaki's supplement filed on March 7, 2002.

Discussion

A. **Sauer's Preliminary Motion 20 for Judgment based on 35 U.S.C. § 102(f)**

As was previously corrected by Kanzaki's Motion 14 to correct inventorship, the inventive entity of Kanzaki's involved application, as of April 26, 2001, became Hideaki Okada as sole inventor. On December 5, 2001, based on information recently obtained by Sauer during party Kanzaki's priority testimony period, Sauer filed its Preliminary Motion 20 for judgment, alleging that Hideaki Okada did not himself invent the subject matter of Kanzaki's claim 7 which is the only Kanzaki claim corresponding to the count.

In response to Sauer's Preliminary Motion 20, on January 11, 2002, Kanzaki filed Motion 15 to Correct Inventorship under 37 CFR § 1.634, seeking to change the named inventive entity from Hideaki Okada as sole inventor to Hideaki Okada, Koichiro Fujisaki, and Ryota Ohashi, as co-inventors.

In opposing Sauer's preliminary motion 20, Kanzaki stated, at page 11:

In an Order dated December 31, 2001, Judge Lee granted Kanzaki permission to file motions to correct inventorship in the present interference. (Paper No. 220). **Kanzaki is filing such a motion in the present interference, thereby mooting Sauer's motion for judgment based on incorrect inventorship.** (Emphasis added.)

As matters have developed, Kanzaki's assertion that its Motion 15 to Correct Inventorship renders moot Sauer's Preliminary Motion 20 is overly optimistic and premature. As will be

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discussed later in this opinion, we have denied Kanzaki's Motion 15 to Correct Inventorship. Sauer's Preliminary Motion 20 is not moot.

Sauer identifies an exhibit, Exhibit 1140, which according to Sauer was "created" by Mr. Ryota Ohashi **and** Mr. Toshiro Azuma on June 20, 1987, **to summarize some of the designs discussed during a "brainstorming session"** of Kanzaki personnel on June 17, 1987, for putting together "filing ideas of Kanzaki" relating to a possible joint venture project with Sauer. (Sauer Fact ¶¶ 13, 14, and 17). This assertion is not disputed by Kanzaki. (Kanzaki Fact ¶¶ 13, 14, and 17).

Mr. Ryota Ohashi clarified in his cross-examination testimony (Exhibit 2455) on page 30, lines 6-8, that he did not actually make the document represented by Exhibit 1140, and that it was Toshiro Azuma who personally made the document. Mr. Ryota Ohashi further clarified in his cross-examination testimony from page 29, line 20 to page 30, line 13, that he drew most of the drawings that are shown in Exhibit 1140 and forwarded them to Toshiro Azuma who cut and pasted Ohashi's drawings for insertion into an actual document represented by Exhibit 1140.

According to Sauer, and based on the testimony of Kanzaki witnesses, "the participants" of this brainstorming session on June 17, 1987 were Toshiro Azuma, Koichiro Fujisaki, Ryota Ohashi, and Shusuke Nemoto. (Sauer Fact ¶ 15) Sauer's assertion in that regard is not disputed by Kanzaki. (Kanzaki Fact ¶ 15). It is implicit in Sauer's assertion that Hideaki Okada was not a participant in this "brainstorming session" on June 17, 1987. Furthermore, Sauer asserts that Ryota Ohashi did not create any of the concepts shown in Exhibit 1140 based on the ideas of



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Hideaki Okada (Sauer Fact ¶ 20). That assertion is admitted by Kanzaki (Kanzaki Fact ¶ 20). Mr. Hideaki Okada did not see a copy of Exhibit 1140 until sometime after June 17, 1987, and Mr. Koichiro Fujisaki explained the contents of Exhibit 1140 to Hideaki Okada in July 1987, after June 17, 1987. (Sauer and Kanzaki Fact ¶¶ 18 and 19).

Exhibit 1140 is important because, according to Sauer, Item 2 in the exhibit is a drawing that illustrates every element in Kanzaki's involved claim 7. Sauer's position is that because Item 2 embodies every element in Kanzaki's claim 7 and because the concepts shown in Item 2 did not come from Hideaki Okada, it follows that Hideaki Okada is not an inventor with respect to Kanzaki's claim 7.

Kanzaki disputes Sauer's assertion that Exhibit 1140 illustrates a "means for fastening" with respect to Item 2 in Exhibit 1140. Kanzaki also disputes Sauer's assertion that Exhibit 1140 discloses, with respect to Item 2, "a housing . . . separable at a horizontal parting plane." Kanzaki does not dispute Sauer's assertions with regard to all the other features of claim 7.

Kanzaki's claim 7 reads as follows, with the elements in dispute emphasized in bold:

An axle driving apparatus comprising:

a housing;

a hydrostatic transmission in said housing;

said hydrostatic transmission separate from said housing and mounted within said housing;

axle shafts extending from said housing;

**said housing being defined by two separable housing elements of said**

**axle driving apparatus, wherein said two elements are separable at a horizontal parting plane;**

**means on said hydrostatic transmission for fastening the hydrostatic transmission to one of said separable elements within said housing;**

said hydrostatic transmission including cylinder blocks having their axes of rotation generally normal to each other. (Emphasis added)

We find that in connection with Item 2, Exhibit 1140 does disclose a housing defined by two elements separable at a horizontal parting plane. Sauer's assertion is correct in that regard. However, we find that Sauer has not shown, with regard to Item 2 of Exhibit 1140, that it discloses the "means on said hydrostatic transmission for fastening . . ." as is recited in Kanzaki's claim 7. Thus, contrary to Sauer's position, Exhibit 1140 does not disclose a design in connection with Item 2 thereof which embodies every element of Kanzaki's claim 7.

First, we will discuss the "horizontal parting plane" claim limitation.<sup>1</sup> While it is true that Item 2 itself illustrates a housing with a vertical split or parting plane, there is an alternative version of Item 2 introduced by way of Item 11 on the same exhibit. As is pointed out by Sauer in Footnote 2 on page 4 of its reply, during the February 25, 2002 deposition of Koichiro Fujisaki, the translation of the text of Item 11 was tentatively corrected by agreement among the three interpreters then present, two hired by Sauer and one hired by Kanzaki, to read as: "Subclaim consideration, in each of the foregoing items, a case is horizontally divided in half in

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<sup>1</sup> This feature is sometimes referred to by the parties as a housing having a "horizontal split."

the proximity of the center of the axle."<sup>2</sup> That tentative correction became a confirmed correction when Kanzaki's counsel, after a reasonable period after the deposition, did not submit an objection to the correction based on any consultation with the original translator who performed the first certified translation of the text on Exhibit 1140.

In its opposition, Kanzaki relies on the testimony of Toshiro Azuma to the effect that Item 11 in the exhibit was added merely as a finishing touch at the end of the exhibit, as some kind of note for reminding themselves that when patent applications are filed it should be noted that "a horizontal split is also doable" (Fact ¶ 39). Kanzaki states, however, that when Japanese patent applications were ultimately filed for the concepts stemming from Exhibit 1140, none of the applications disclosed a horizontal split housing.

That Kanzaki did not subsequently include the "horizontal split" housing design in its Japanese patent applications does not negate the thought its personnel initially had during the brainstorming session on June 17, 1987, and on June 20, 1987, when Exhibit 1140 was generated, that a horizontal split housing design "is also doable" for each of the concepts which came before Item 11 on the exhibit. Kanzaki further characterizes the reference to a horizontal split housing in Item 11 of Exhibit 1140 as a mere fanciful possibility that cannot be taken for real. In that regard, Kanzaki quotes the following testimony from Toshiro Azuma (Fact ¶ 38):

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<sup>2</sup> The original certified translation read: "Subclaim consideration, in each said item, a case is horizontally divided in half in the proximity of the center of the axle."

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[T]he objective of making this drawing [Item 11] is in the past we've disclosed only vertical split housing design, and we thought it might be possible to have horizontal split design and use that in one of the subclaims for the disclosure. And that's the basic objective.

We reject Kanzaki's characterization of Item 11 as something merely fanciful, speculative, and not for real. Nothing in Item 11 itself reasonably suggests that what is proposed there is mere speculative and uncertain. Rather, the wording is confident and not at all tentative. It makes no mention of any obstacle to be overcome before a horizontal split housing can be implemented. Even the above-quoted testimony of Toshiro Azuma does not mention any obstacle that would prohibit a horizontal split housing from being implemented. To the contrary, Toshiro Azuma's testimony indicates that Kanzaki's personnel thought was sufficiently confident of the horizontal split design to want to include it as a subclaim in any patent application to be filed on the disclosed concepts. Mr. Toshiro Azuma also had testified that their thought in connection with Item 11 of the exhibit was that a horizontal split housing design "is also doable." (Fact ¶ 39). For the foregoing reasons, we find that Exhibit 1140 also discloses a horizontal split housing version of Item 2 contained therein.

Kanzaki further argues that even assuming that Exhibit 1140 discloses, in connection with Item 2 through Item 11, a horizontal split housing, that design was not communicated to Mr. Okada. The argument is rejected. In Sauer Fact ¶ 19, Sauer asserts that Mr. Fujisaki "showed a copy of Exhibit 1140 to Mr. Okada and explained it to Mr. Okada in July of 1987, after the June 17, 1987 meeting" (Emphasis in original). In Sauer Fact ¶ 18, Sauer asserts that in June or July of 1987, but after June 17, 1987, Mr. Okada saw a copy of Exhibit 1140 at

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Mr. Nemoto's desk, and that Mr. Nemoto and Mr. Okada discussed Exhibit 1140. These assertions have been admitted by junior party Okada (Okada Fact ¶¶ 18 and 19). We find, based on these admitted facts, that indeed the substantive designs illustrated in Exhibit 1140 were communicated to Hideaki Okada at least by the end of July, 1987, including the horizontal split housing design applicable to Item 2 by way of Item 11. Note that Kanzaki did not carve out any exception when admitting to Sauer's alleged Fact ¶¶ 18 and 19. Kanzaki also did not refer to any testimony of Mr. Okada to indicate if there was any technical disclosure within Exhibit 1140 that Mr. Okada did not see or was not explained to Mr. Okada by the end of July, 1987.

We now turn to the subject of the claimed "means on said hydrostatic transmission for fastening the hydrostatic transmission to one of said separable elements within said housing" in Kanzaki's claim 7. Because the claim feature at issue is phrased as a "means-plus-function" clause, it must be construed according to 35 U.S.C. § 112, sixth paragraph, which states:

An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recitation of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

See also In re Donaldson, 16 F.3d 1189, 1193, 29 USPQ2d 1845, 1848-49 (Fed. Cir. 1994).

It is clear that the corresponding structure in Kanzaki's involved specification to the claimed fastening means are bolts. In that regard, the Kanzaki specification on page 5, lines 20-25 states:

At the lower surface if the upper half casing 1 is formed a mounting surface so that a center section 3 fixedly supporting the hydraulic pump P and a

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hydraulic motor M is mountable to the mounting surface through bolts 39 inserted into bolt holes 3g from below.

In connection with another embodiment, the specification on page 13, in lines 5-7 states: "Bolts 39 for fixing the center section 3 also are inserted from above into the bolt bores and screw with the lower half casing 2 respectively. Still for a further embodiment, the specification on page 13, lines 15-20, states:

In this embodiment, three bolt bores 3g for three bolts 39 for fixing the center section to the lower surface of the upper half casing 1 are provided at the center section 3, the three bolts 39 fixing the center section 3 to the upper half casing 1.

Note also that in Kanzaki's annotated claims filed on March 15, 2000, bolts and matching bolt holes are identified as the disclosed structure corresponding to the claimed fastening means.

We find that the drawing and accompanying text relating to Item 2 of Exhibit 1140 do not on their face illustrate any particular fastening means and that Sauer has not pointed us to any part of Item 2 which illustrates or describes a particular structure that fastens the transmission to the housing. Sauer only refers to testimony by Kanzaki witnesses to the effect that Item 2 of Exhibit 1140 illustrates a transmission separately mounted within the housing. See Sauer's Fact ¶ 24, which is admitted by Kanzaki. The problem, however, is that Sauer has not demonstrated either that "bolts" are the only mechanism for mounting a separate transmission to the housing or that fastening by bolts was discussed during the brainstorming session in connection with the design summarized in Item 2 of Exhibit 1140. In Fact ¶ 30, Sauer states that there is testimony from Toshiro Azuma to the effect that the phrase "separately mounted within a housing" means

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"attached to the housing with a bolt." That assertion is denied by Kanzaki. We have reviewed the cited portions of the deposition of Toshiro Azuma (Exhibit 2452, page 17, line 9 to page 20, line 2), and find that Mr. Azuma did not testify that mounted separately within the housing means fastening by bolts. What he did say on page 19, lines 18-20 is this: "[I]f the center section is mounted within the housing, **some kind of device such as bolts** should have been used" (Emphasis added). The reference to "bolts" merely sets forth an example among possible choices. We do not read Mr. Azuma's testimony as representing that mounting necessarily and always "means" attachment by bolts or by some structure which is an equivalent to bolts. The specific range of equivalent choices was not set forth by Mr. Azuma. Moreover, it appears that Mr. Azuma may simply have been proposing a solution to a given problem rather than setting forth an established definition for what "mounting within the housing" means.

In its reply, Sauer inappropriately cites to new evidence not relied on in its motion. Sauer cites to the testimony of Mr. Koichiro Fujisaki taken by deposition on February 25, 2002 (Exhibit 2481). Sauer argues:

Moreover, Mr. Fujisaki testified during his February 25, 2002 deposition that only the left hand side figure of item 4 and the figure of item 6 [in Exhibit 1140] show a center section which is "sandwiched" between two halves of a housing. Exhibit 2481 page 33 line 5-page 34 line 14. Hence, item 2 of Exhibit 1140, by process of elimination, shows a center section which is separately mounted within the housing and is not sandwiched.

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Sauer explains that although its reply has relied on new evidence, it is not inequitable to do so here because Kanzaki has filed a motion to correct inventorship (Motion 15) and can therefore respond to the new evidence relied on in Sauer's Reply 20 when Kanzaki files its Reply 15.

We reject Sauer's attempt to rely on new evidence in its reply. The fact that Kanzaki still had opportunity to file a reply in the separate context of Kanzaki's Motion 15, in which a response to the new evidence in Sauer's Reply 20 might be submitted, does not justify Sauer's late reliance on evidence in the context of its Motion 20. Each pleading submitted by a party, whether it is a motion, opposition, or reply, has a unique role and context separate from those of any other pleading the party may file, and is not a generic opportunity to submit arguments regardless of context. Different burdens of proof may not be ignored or co-mingled. Sauer's reliance in its reply on new evidence it could have relied on in the original motion is improper.

Moreover, Sauer could have filed a miscellaneous motion to seek approval for relying on new evidence which did not surface until after Sauer's latest preliminary motion 18 was filed. Had there been such a motion, Kanzaki could have opposed. Also, the administrative patent judge might have granted such a motion. However, Sauer did not pursue that orderly process.

Accordingly, the testimony of Mr. Fujisaki taken on February 25, 2002, and cited by Sauer in its Reply 20, will not be considered.

In the alternative, even if the testimony of Mr. Fujisaki taken on February 25, 2002, and cited by Sauer in its Reply 20 is considered, Sauer has not shown that the center section in Item 2 of Exhibit 1140 is bolted to the housing and not sandwiched between two halves of the housing.



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Sauer's logic is incorrect that if only the left hand side figure of Item 4 and the figure of Item 6 show a center section that is sandwiched between two halves of a housing, then by process of elimination Item 2 shows a center section which is mounted rather than sandwiched. It could well be that with respect to all other designs no definite answer may be given, which is consistent with Mr. Azuma's testimony to the effect that the drawings and text of the designs in Exhibit 1140 do not reveal whether the center section is bolted or sandwiched. (Kanzaki Fact ¶ 35). Sauer does not dispute that Mr. Azuma has so testified. (Sauer Fact ¶ 35). Sauer's "process of elimination" makes excessive eliminations and thus is overbroad.

For the foregoing reasons, Sauer has not demonstrated that Exhibit 1140 in connection with Item 2 therein anticipates Kanzaki's claim 7. Exhibit 1140 does not disclose a design in connection with Item 2 thereof which embodies every element of Kanzaki's claim 7.

Alternatively, Sauer contends that even if Item 2 does not show every feature of Kanzaki's claim 7, at least some co-inventors have been improperly omitted by Kanzaki because most of the elements of Kanzaki's claim 7 are reflected in Item 2 of Exhibit 1140. In that regard, the only disputed claim feature not shown by Sauer as disclosed by Exhibit 1140 in connection with Item 2 thereof is the use of bolts as a means for fastening the hydrostatic transmission to a part of the housing.

Sauer points out in its motion that (1) according to the summary of Kanzaki's application, an L-shaped center section on which is mounted the motor and pump of a hydrostatic transmission has advantages (Fact ¶ 9), (2) Mr. Okada testified in a previous litigation that he

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believed what he invented was a separate L-shaped center section which is mounted into a horizontally split housing (Fact ¶ 12), and (3) Kanzaki's expert witness, Mr. Roland von Kaler, testified during a previous litigation that he regarded the idea of a separate L-shaped center section mounted within a horizontally split housing in January of 1988 to be an inventive concept (Fact ¶ 10). These assertions are admitted by Kanzaki. (Fact ¶¶ 9, 10 and 12).

In response to Sauer's stated position, Kanzaki does not argue that the elements of claim 7 disclosed in Exhibit 1140 in connection with Item 2 thereof are insignificant in quality or merely reflect what was well known in the art. Nor does Kanzaki argue that Hideaki Okada already had those ideas before they were communicated or explained to him. Rather, Kanzaki only argues on page 11 of the opposition that because it has filed Motion 15 to Correct Inventorship, Sauer's motion for judgment based on incorrectly named inventorship is moot.

Kanzaki's mootness argument has merit, however, only if Kanzaki's Motion 15 is granted. If Kanzaki's Motion 15 is denied, as is the case here, Sauer's Motion 20 is not moot. Rather, Kanzaki has admitted that the named inventive entity of its involved application is incorrect. The admission stems from Kanzaki's manner of response to Sauer's alternative argument that even if not all features of claim 7 are disclosed in Exhibit 1140 in connection with Item 2, many features of significance were communicated by one or more others at Kanzaki to Hideaki Okada. Kanzaki chose not to challenge the substantive merit of this alternative argument, and not to deny that having Hideaki Okada as sole inventor is incorrect. Kanzaki

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chose to file a motion to correct inventorship, thinking that that would render Sauer's motion for judgment moot.

Under these circumstances, Kanzaki has relied on a particular litigation strategy, admitting that Hideaki Okada is incorrectly named as sole inventor and filing a motion to correct inventorship. All of Kanzaki's eggs have now been placed in one basket as represented by its Motion 15 to Correct Inventorship. Kanzaki chose this course of action despite having been previously expressly warned in the decision dismissing Kanzaki's Motion 13 to correct inventorship that where an error in the naming of inventorship has been admitted, a failure to make correction may lead directly to entry of adverse judgment. That an admission of such nature may have potentially significant consequences could not have been unknown to Kanzaki.

If Kanzaki succeeds with its Motion 15 to Correct Inventorship, then Sauer's Motion 20 is moot. On the other hand, if Kanzaki's Motion 15 is unsuccessful, then based on the showing by Sauer and on Kanzaki's own admission Sauer's Motion 20 must be granted.

During oral argument, counsel for Kanzaki explained that it really does not matter to Kanzaki who we would determine are its true inventors, and that the facts are such that the situation is quite muddy and Kanzaki's counsel had been on the fence and even changed opinions at times on who the proper inventors should be. But that explanation is too little and too late. Testimony is not taken at oral argument after the briefs have all been filed. The circumstances baffling the attorneys were not explained in Kanzaki's Motion 15 or any of its previous motions to correct inventorship. In its motion papers Kanzaki did not come close to explaining that the

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situation is a close one and to stating that it would present all relevant facts, explain the dilemma, and leave the ultimate decision to the board on who the proper inventors should be. Had Kanzaki done so, the case would take on a much different complexion, at least with respect to whether Kanzaki has admitted that its named inventorship is wrong. Instead, the attorneys did not explain the circumstances of their apparent predicament and chose to respond to Sauer's Motion 20 by filing a still further motion to correct inventorship. In light of the substantial showing made by Sauer in its Motion 20 as discussed above and Kanzaki's filing of Motion 15 in response to Sauer's Motion 20, the outcome hinges on the merits of Kanzaki's Motion 15.

Kanzaki's contends that because Sauer's Motion 20 does not show why the pertinent disclosure of Exhibit 1140 does not also apply to Sauer, it also applies to Sauer. The pertinent portion of 37 CFR § 1.637(a) reads as follows:

If a party files a motion for judgment under § 1.633(a) against an opponent based on the ground of unpatentability over prior art, and the dates of the cited prior art are such that the prior art appears to be applicable to the party, it will be presumed, without regard to the dates alleged in the preliminary statement of the party, that the cited prior art is applicable to the party unless there is included with the motion an explanation, and evidence if appropriate, as to why the prior art does not apply to the party.

We do not construe the above-quoted text as having any application extending beyond the technical content of the cited prior art as applied to the moving party's own involved claims. Therefore, the presumption is ineffective to establish that the contents of Kanzaki's Exhibit 1140 had been communicated to Sauer's inventors. Such communication, if relied on by Kanzaki for any reason, must be established by Kanzaki, which it has not. We will not presume that

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Kanzaki's drawings were communicated to Sauer's inventor. Without a showing in Kanzaki's opposition to Sauer's Motion 20 of such communication, the designs in Exhibit 1140 do not render Sauer's own involved claim unpatentable in the context of Sauer's Motion 20 .

For the foregoing reasons, Sauer's Motion 20 is **GRANTED**.

**B. Kanzaki's Motion 15 to Correct Inventorship**

The inventive entity of Kanzaki's involved application, as corrected by Kanzaki's Motion 14 to Correct Inventorship, is Hideaki Okada as sole inventor. By this motion filed under 37 CFR § 1.634, Kanzaki seeks to add Koichiro Fujisaki and Ryota Ohashi as co-inventors.

Sauer opposes the motion on three grounds: (1) allowing Kanzaki to make a change in the named inventorship at this late date would substantially prejudice Sauer's case on priority; (2) Kanzaki has not met its burden of proof under 37 CFR § 1.637(a); and (3) even with the proposed change, the named inventorship would still be incorrect because Shusuke Nemoto should at least be a co-inventor.

Once an interference proceeding has commenced, a party does not have an unlimited opportunity to seek correction of its named inventorship. In Stark v. Advanced Magnetics, Inc., 29 F.3d 1570, 1575, 31 USPQ2d 1290, 1294 (Fed. Cir. 1994), the Court of Appeals for the Federal Circuit stated:

Indeed, we agree that diligent action is required during a pending interference proceeding, where a change of inventorship can directly affect the trial and outcome of the proceeding. Such a requirement is guided by ordinary principles governing the duties of parties litigant. See Van Otteren v. Hafner, 278 F.2d 738,

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126 USPQ 151 (CCPA 1960) (duty to state whether a party to an interference is a sole or joint inventorship).

Here, Kanzaki's original Motion 15 (non-supplemented) to correct inventorship was filed more than six months after service of party Sauer's case-in-chief evidence on priority. However, it is not necessary to determine whether and how much Sauer would be prejudiced, because as will be discussed below Kanzaki has not satisfied its burden of proof in showing that the inventive entity of its application should be Hideaki Okada, Koichiro Fujisaki, and Ryota Ohashi as co-inventors and not Hideaki Okada alone as sole inventor. Accordingly, we do not reach the issue of whether allowing Kanzaki to change its named inventorship now would substantially prejudice Sauer's case on priority. Similarly, we also do not reach the issue raised by Sauer that the correction proposed by Kanzaki would nonetheless still be incorrect because Shusuke Nemoto should be a co-inventor.

As the moving party, Kanzaki bears the burden of proof. In 37 CFR § 1.637(a), it is expressly provided that:

A party filing a motion has the burden of proof to show that it is entitled to the relief sought in the motion.

See also Kubota v. Shibuya, 999 F.2d 517, 27 USPQ2d 1418 (Fed. Cir. 1993); Behr v. Talbott, 27 USPQ2d 1401, 1407 (Bd. Pat. App. & Int. 1992). The motion at issue here is one filed under 37 CFR § 1.634, which states:

A party may file a motion to (a) amend its application involved in an interference to correct inventorship as provided by § 1.48 or (b) correct inventorship of its

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patent involved in an interference as provided in § 1.324. **See § 1.637(a).**  
(Emphasis added.)

There is a direct reference within 37 CFR § 1.634 to 37 CFR § 1.637(a). Thus, notwithstanding that 37 CFR § 1.48 refers to no burden of proof and lists only a number of paper and fee requirements for correcting inventorship, Kanzaki as a moving party under 37 CFR § 1.634 has a burden of proof and must demonstrate on the merits that it is entitled to the correction sought before its motion to correct inventorship can be granted. Kanzaki's burden here is that of proving its case by a preponderance of the evidence.

The burden of showing something by a preponderance of the evidence is met by persuading the trier of fact that the existence of a fact is more probable than its nonexistence. Concrete Pipe & Products of California, Inc. v. Construction Laborers Pension Trust for Southern California, 508 U.S. 602, 622, 113 S.Ct. 2264, 2279 (1993). If two plausible possibilities can be inferred from the evidence, then neither one can be said to have been proved by the preponderance of the evidence. Aluminum Company of America v. Preferred Metal Products, 37 F.R.D. 218, 221 (D.N.J. 1965); see also Smith v. United States, 557 F.Supp. 42, 51 (W.D. Ark. 1982) (if, upon any issue in the case, the evidence appears to be equally balanced, or if it cannot be said upon which side it weighs heavier, then plaintiff has not met its burden of proof).

At the outset, we clarify that although four motions were filed by Kanzaki to correct inventorship, the first three were a part of the same effort to remove Shusuke Nemoto from the inventive entity Hideaki Okada and Shusuke Nemoto, and the fourth is a separate and most

recent effort to add Koichiro Fujisaki and Ryota Ohashi to the sole inventive entity Hideaki Okada. From this perspective, there are only two intended changes, sought in succession, even though the first requested change needed three attempts to accomplish successfully.

In support of its Motion 15, Kanzaki submitted the declaration of Koichiro Fujisaki (Exhibit 1212). Paragraph Nos. 3-8 of that declaration are reproduced below (Emphasis added):

3. On June 17, 1987, at least Mr. Toshiro Azuma, Mr. Ryota Ohashi, Mr. Shusuke Nemoto (employees of Kanzaki), and I met at Kanzaki to exchange design ideas for a combined hydrostatic transmission and transaxle.

4. During the June 17, 1987 meeting, we discussed several designs. Exhibit 1140 is a copy of the first four pages of a document which Mr. Ohashi and Mr. Azuma created to summarize some of the designs discussed during the June 17, 1987 meeting. Pages 5-9 of the document are not related [to] integrated hydrostatic transaxles. A copy of this document was given to me around June 20, 1987 for my reference.

5. Item 2 on page 1 of Exhibit 1140 shows an integrated hydrostatic transaxle including a motor shaft of a hydraulic motor coupled to reduction gearing. The reduction gearing is a two-stage reduction and is coupled to a ring gear of a differential. The differential transmits power from the reduction gears to axles. **It was my idea to include the reduction gearing** in item 2 of Exhibit 1140.

6. **It was my idea to use a horizontal split housing** in item 11 of Exhibit 1140. **It was also my idea to extend the input shaft of the pump through the housing** in item 11 of Exhibit 1140.

7. I showed a copy of Exhibit 1140 to Mr. Hideaki Okada, a Kanzaki engineer, in July 1987 because I was contemplating assigning him to the integrated hydrostatic transaxle project.



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8. Shortly after I returned from a meeting with Sauer in the United States between November 23-25, 1987, I assigned Mr. Okada to work on the combined product for the proposed joint venture.

It is not explained by Mr. Fujisaki how the reduction gearing in Item 2 of Exhibit 1140 relates to the differential gearing means recited in Kanzaki's claim 7 corresponding to the count in this interference. It is also not explained by Mr. Fujisaki how extending the input shaft of the pump through the housing has anything to do with a feature recited in any Kanzaki claim. However, we can readily see that Kanzaki's claim 7 requires the housing of an axle driving apparatus to have a horizontal parting plane, i.e., a horizontal split housing.

Also in support of its Motion 15, Kanzaki submitted the declaration of Ryota Ohashi (Exhibit 1213). Paragraph Nos. 2-4 of that declaration are reproduced below (Emphasis added):

2. On June 17, 1987, at least Mr. Toshiro Azuma, Mr. Koichiro Fujisaki, and I met at Kanzaki to exchange design ideas for [an] a combined hydrostatic transmission and transaxle. I had the responsibility of designing the hydrostatic transmission rotating groups.

3. Exhibit 1140 is a copy of the first four pages of a document which I created with Mr. Azuma to summarize some of the designs discussed during the June 17, 1987 meeting. Pages 5-9 of the document are not related to integrated hydrostatic transaxles ("IHTs").

4. **I designed the hydrostatic transmission portion of item 2 of Exhibit 1140. It was my idea to mount the hydraulic pump and hydraulic motor at right angles to each other on the center section in item 2 of Exhibit 1140.**

What appears odd about the testimony of Messrs. Fujisaki and Ohashi is that as recently as September 2000, all other named participants of the June 17, 1987, brainstorming meeting, specifically Mr. Toshiro Azuma and Mr. Shusuke Nemoto, were satisfied that Hideaki Okada is

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the sole named inventor in Kanzaki's involved application. Also, Mr. Hideaki Okada, who was not present at the June 17, 1987 brainstorming meeting, thought in September 2000 that he should be the sole named inventor.

Mr. Shusuke Nemoto was one of the two original named inventors in Kanzaki's involved application and thus is presumably aware of the originally named inventive entity, i.e., Okada and Nemoto. Mr. Shusuke Nemoto was also a participant in the June 17, 1987 brainstorming meeting and thus is presumably aware of what designs were proposed by Mr. Fujisaki and Mr. Ohashi in that meeting. In September 2000, Mr. Nemoto executed a declaration in support of Kanzaki's Motion 13 to correct inventorship by eliminating Shusuke Nemoto as a co-inventor. In that declaration (Exhibit 1068), he stated: "I was not aware that it was an error to name me as an inventor of the '581 application or of any U.S. patent or patent application which claims the benefit of the February 1, 1989 filing date of the '581 application, until June 2000." Thus, as late as September 2000, Mr. Nemoto supported and had no objection to Hideaki Okada's being named as the sole inventor in Kanzaki's involved application.

Mr. Toshiro Azuma was a participant in the June 17, 1987 brainstorming meeting. Yet, as recently as September of 2000, he executed a declaration in support of Kanzaki's Motion 13 to correct inventorship by eliminating Shusuke Nemoto as a co-inventor. In that declaration (Exhibit 1070), Mr. Azuma stated in Paragraph No. 2:

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I am familiar with U.S. Patent Application No. 07/304,581 ("the '581 application"), filed February 1, 1989 (now U.S. Patent No. 4,932,209 ("the '209 patent")) and with all U.S. patents and patent applications which claim the benefit of the February 1, 1989 filing date of the '581 application.

Thus, at the time of execution of the declaration, Mr. Azuma presumably was aware of the then inventive entity of Kanzaki's involved application, i.e., Hideaki Okada and Shusuke Nemoto.

Mr. Azuma further stated in Paragraph No. 5:

I was not aware until June 2000 that it was an error to name Mr. Shusuke Nemoto as an inventor of the '581 application or of any U.S. patent or patent application which claims the benefit of the February 1, 1989 filing date of the "'581 application.

Therefore, as late as September 2000, Mr. Azuma also supported and had no objection to Hideaki Okada's being named as the sole inventor in Kanzaki's involved application. Messrs. Azuma and Nemoto were participants in the June 17, 1987 brainstorming meeting and would have had first hand knowledge of the designs, if any, proposed by Mr. Fujisaki and Mr. Ohashi, Yet, as recently as September 2000, they supported the naming of Hideaki Okada as sole inventor.

As for Mr. Hideaki Okada, in September 2000 he executed a declaration (Exhibit 1067) in support of Kanzaki's Motion 13 to correct inventorship by eliminating Shusuke Nemoto from the joint inventive entity of Shusuke Nemoto and Hideaki Okada. Mr. Okada also had no objection to being named as the sole inventor, even though we know from his later declaration (Exhibit 1214) filed in support of Kanzaki's Motion 15 to Correct Inventorship that "in June or July of 1987, Mr. Koichiro Fujisaki showed me a copy of Exhibit 1140 and **explained** it to me." (Emphasis added.)

Something seems awry. The glove does not appear to fit. All three people, Hideaki Okada, Toshiro Azuma, and Shusuke Nemoto, two of whom have first hand knowledge of the ideas presented in the June 17, 1987 brainstorming meeting and one of whom had a summary of the designs resulting therefrom explained to him, were satisfied in September 2000, in the context of Kanzaki's Motion 15 to Correct Inventorship, that Hideaki Okada is the sole inventor. That, in addition to the fact that Kanzaki's Motion 15 to Correct Inventorship is a response to Sauer's Motion 20 for judgment under 35 U.S.C. § 102(f), which motion was filed based primarily on the testimony of Kanzaki's own witnesses and the content of Kanzaki's own documents, raises substantial doubt in our mind about Mr. Fujisaki and Mr. Ohashi's latest declaration testimony about what ideas are theirs. Absent a satisfactory explanation, the change sought has the appearance of one being made for convenience in order to render moot Sauer's Preliminary Motion 20 under 35 U.S.C. § 102(f).

There may well be an explanation, but no meaningful explanation has been presented by Kanzaki. The declarations of Mr. Toshiro Azuma and Shusuke Nemoto (Exhibits 1216 and 1218) in support of the instant Kanzaki Motion 15 to Correct Inventorship offer no explanation as to why as recently as September 2000 they either had no objection to or were satisfied that Mr. Hideaki Okada would be the sole inventor, in the context of Kanzaki's Motion 13 to correct inventorship. Likewise, Mr. Okada's latest declaration in support of the instant Motion 15 does not meaningfully explain why as recently as September 2000 he either had no objection to or was satisfied that he would be the sole named inventor, in the context of Kanzaki's Motion 13 to

correct inventorship. Despite the unusual opportunity provided to Kanzaki by way of a "special session" for Kanzaki to introduce any explanation it failed to include in Mr. Okada's declaration in support of Motion 15, the special session produced no meaningful explanation.

Mr. Okada testified that when he first executed a declaration in support of the filing of an ancestral application for the involved application, he believed that it was correct to name Shusuke Nemoto and himself as co-inventors. Mr. Okada testified that when he executed a declaration in 2000 in support of Kanzaki's motion to correct inventorship to eliminate Shusuke Nemoto as a co-inventor, he believed that it was correct to remove Shusuke Nemoto as a co-inventor. Mr. Okada testified that when he most recently executed a declaration in 2002 to support Kanzaki's motion to correct inventorship to add Koichiro Fujisaki and Ryota Ohashi as co-inventors, he believed that it was correct to add Koichiro Fujisaki and Ryota Ohashi. Mr. Okada's testimony also indicates that Mr. Okada is not familiar with American patent law and had to rely on the advice of U.S. patent counsel each time he executed a declaration on the inventorship issue.

That Mr. Okada "believed" he was correct in each of the three times he executed a declaration to indicate a different inventive entity as the proper inventorship does not give us confidence that his latest such belief is the correct one, as opposed to his previous beliefs, especially the one in September 2000 after the commencement of this inter partes interference proceeding. The underlying facts evidently have not changed, but Mr. Okada's belief and the opinion of Kanzaki's counsel have. Kanzaki has not submitted testimony from Mr. Okada's

counsel which explains the basis of the changes in opinion. Insofar as Kanzaki has the view that a mere good faith belief without regard to the correctness of the belief is sufficient to justify the granting of a motion to correct inventorship, we disagree. Moreover, it appears that Mr. Okada has at least three different beliefs, all purportedly in good faith. Kanzaki has given us no reason to favor the one latest in time. We cannot grant a motion based in a large part on a supporting declarant's current faith that the requested relief is justified, especially when, as here, there is certain evidence to the contrary, as discussed above.

In light of the entirety of the circumstance as described above, we do not have any confidence in the latest or current "belief" of Mr. Okada that Mr. Fujisaki and Mr. Ohashi are co-inventors, or in the testimony of Mr. Fujisaki and Mr. Ohashi to the effect that they should be named as co-inventors along with Mr. Okada. In the particular circumstance here, the absence of meaningful explanation has rendered the testimony of Hideaki Okada, Koichiro Fujisaki, and Ryota Ohashi not credible. It cannot be determined whether there is a rational factual basis for the different beliefs of Mr. Okada and successive changes in his beliefs, other than that he followed the advice of counsel. But we have not been informed via evidence in the record of the circumstances which caused Mr. Okada's counsel to have rendered three different opinions. Without an explanation, we have no more confidence in the counsel's most recent and latest opinion than any earlier opinion. It is at least plausible that the changes in beliefs merely reflect a knee-jerk reaction and a convenient response to Sauer's charges of incorrectly named inventorship without a thorough investigation on the part of Kanzaki and its counsel.

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The evidence does not reflect that a thorough and complete review of the inventorship issue was ever conducted in support of any Kanzaki motion to correct inventorship. Rather, when it was known that Sauer would file a motion for judgment alleging that Shusuke Nemoto is not a co-inventor, Kanzaki proposed to remove Shusuke Nemoto, and when Sauer later asserts that Hideaki Okada cannot be the sole inventor, Kanzaki now proposes to add Koichiro Fujisaki and Ryota Ohashi as co-inventors. We are left with the impression that if Sauer makes yet another assertion that Kanzaki's named inventorship is wrong in some other way, Kanzaki would file yet another motion to correct inventorship without adequate explanation and based on another declaration of Mr. Okada who would have still another different belief.

According to Kanzaki, no explanation is necessary and it has fully complied with each requirement of 37 CFR § 1.48(a). Evidently, Kanzaki is referring to these express requirements of 37 CFR § 1.48(a): a statement from each person being added as an inventor and from each person being deleted as an inventor that the error in inventorship occurred without deceptive intention on his or her part; an oath or declaration by the actual inventor or inventors; and a written consent of the assignee. Indeed, Kanzaki has submitted each of these papers as is expressly required by 37 CFR § 1.48(a). But Kanzaki can have no reasonable expectation that merely submitting the formal papers required by 37 CFR § 1.48(a) would ensure or guarantee the granting of a petition under 37 CFR § 1.48(a), much less a motion to correct inventorship.

A similar argument was presented by a party and rejected in a precedential opinion of the Interference Trial Section in Hillman v. Shyamala, 55 USPQ2d 1220 (Bd. Pat. App. & Int.

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2000). In that case, a party argued that because it had complied with each of the requirements of 37 CFR § 1.637(f) for a preliminary motion for benefit under 37 CFR § 1.633(a), the preliminary motion for benefit must be granted. The Board rejected that argument and stated as follows, 55 USPQ2d at 1221:

Hillman argues that compliance with 37 CFR § 1.637(f) is all that is required in a motion for benefit. This proposition is simply wrong. As the format of Hillman's motions indicate, counsel was aware of at least some of the requirements of 37 CFR § 1.637(a):

A party filing a motion has the burden of proof to show that it is entitled to the relief sought in the motion. Each motion shall include a statement of the precise relief requested, a statement of the material facts in support of the motion, in numbered paragraphs, and a full statement of the reasons why the relief requested should be granted. . . .

The salient points of the rule in this context are that the movant has the burden of proof and that the motion must contain a full statement of the reasons why the relief requested should be granted. Moreover, the requirements of 37 CFR § 1.637 are **procedural**, not substantive. [Footnote omitted.] It would be impossible to list all of the substantive requirements for each kind of motion specifically and exhaustively. . . . (Emphasis in original.)

We recognize that at issue here is 37 CFR § 1.634 and § 1.48(a) and not 37 CFR § 1.637(f), but the need for a full statement of the reasons why the relief requested should be granted exists just the same. Note that 37 CFR § 1.634 makes an explicit and specific reference to 37 CFR § 1.637(a) after the reference contained therein to 37 CFR § 1.48. In turn, 37 CFR § 1.637(a) states, in pertinent part:



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A party filing a motion has the **burden of proof to show** that it is entitled to the relief sought in the motion. Each motion shall include . . . a **full statement of the reasons** why the relief requested should be granted. (Emphasis added.)

Even for 37 CFR § 1.48 alone, apart from 37 CFR § 1.634, submission of each paper specifically mentioned in 37 CFR § 1.48(a) would not guarantee granting of the relief requested. In appropriate circumstances, an examiner may hold a petition under 37 CFR § 1.48 in abeyance and issue a request for information under 37 CFR § 1.105, which may lead to a rejection under 35 U.S.C. § 102(f). Alternatively, an examiner may hold the petition in abeyance and proceed directly to a rejection under 35 U.S.C. § 102(f), if the circumstances warrant such a rejection.

Kanzaki correctly points out that 37 CFR § 1.48(a) was amended in 1997 to eliminate the pre-existing requirement for a statement of facts to establish how the inventorship error was discovered and how it occurred. According to Kanzaki, that means it need not explain how the error in inventorship was discovered or how the error occurred in order to obtain a change in the named inventorship. A review of the published comments associated with the rule change indicates that as a general matter that is not entirely true. The door is wide open, where circumstances warrant and on a case-by-case basis, for a closer investigation to be conducted by way of a rejection under 35 U.S.C. § 102(f) or (g). In that regard, note these passages in 1203 Official Gazette 69 (October 21, 1997), column 1:

Comment 11: One comment opposed the removal of the Office from examining the issue of inventorship as substantive law invalidates patents that have issued in the names of incorrect inventors and the Office is charged with the duty of examining applications for the purpose of denying issue to those applications that do not meet the standards of patentability. Where an oath has originally been filed asserting the proper inventor is one entity and a subsequent paper asserts that

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the proper inventor is another, under such circumstances "the facts are inherently suspect" and an investigation by the office is warranted and required by statute.

Response: The amendments to § 1.48 have otherwise received overwhelming support.

The Office has pursued the existence of improper inventorship in applications by rejection under 35 U.S.C. 102(f) or (g) and will continue to do so independent of the change in the verified statement requirements under § 1.48 paragraphs (a) or (c). A request to change inventorship, however, often requested by the current inventors or assignee on their own initiative is not seen to be inherently fraught with deceptive intent as to warrant a close and detailed examination absent more. A statement that the error was made without deceptive intent is seen to be a sufficient investigation complying with the statutory requirement under 35 U.S.C. 116, particularly as most petitions are eventually granted or an application can be refiled naming the new desired inventive entity. Refiling of the application to change the inventorship will not cause the Office, absent more, to initiate an investigation as to the correct inventorship or cause a rejection under 35 U.S.C. 102(f) or (g) to be made. Additionally, **it should be noted that the Office views a petition under § 1.48 to be a procedural matter** and not to represent a substantive determination as to the actual inventorship. See MPEP 201.03, Verified Statement of Facts. (Emphasis added.)

The above-quoted text indicates that compliance with each paper requirement of 37 CFR § 1.48 is not necessarily the end of story even in an ex parte context. It may well be the beginning.

Where the Office has reason to suspect the veracity of the statements provided, a close and detailed examination of the inventorship issue may be initiated.

It is important to recognize that as is indicated in the last sentence of the above-quoted text, the requirements of 37 CFR § 1.48 are merely procedural. Compliance with those procedural requirements does not guarantee any particular outcome on the substantive determination. With regard to its Motion 15 filed under 37 CFR § 1.634 to correct inventorship, which makes reference to 37 CFR § 1.48, Kanzaki as the moving party is subject to a burden of

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proof to establish entitlement to the relief sought and to submit a full statement of the reasons why the relief requested should be granted. 37 CFR § 1.637(a). Rule 1.637(a) is expressly referred to in 37 CFR § 1.634. Kanzaki cannot reasonably expect that no substantive determination would be made, based on the reasons presented by Kanzaki, on whether Kanzaki has satisfied that burden by a preponderance of the evidence.

For reasons we have already discussed above, the circumstances here are such that we have substantial doubt with regard to the testimony of Mr. Hideaki Okada, Mr. Koichiro Fujisaki, and Mr. Ryota Ohashi in support of Kanzaki's Motion 15 to Correct Inventorship.<sup>3</sup> We find that Kanzaki has not satisfied its burden of proof by a preponderance of the evidence to have the named inventorship changed from Hideaki Okada as sole inventor to Hideaki Okada, Koichiro Fujisaki, and Ryota Ohashi, all as co-inventors.

Although not necessary to reach the issue, we reject Sauer's argument presented in its supplemental opposition "that a material feature that Kanzaki asserts is shown in Exhibit 1140 is in fact not shown or described at all in the original brainstorming document, Exhibit 1233." It is undisputed by the parties that Exhibit 1140 was provided by Kanzaki to Sauer as a copy of an

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<sup>3</sup> This case does not present altogether similar circumstances as those in Ellsworth v. Moore, 61USPQ2d 1499 (Bd. Pat. App. & Int. 2001), a case in which a single group of inventors constitute respective opposing parties with an overlap in named inventorship. The need for an inventor who has signed conflicting declarations to provide an explanation is much more critical in the circumstances of Ellsworth where that inventor is named by both parties in the case. Although less critical than in the circumstance of Ellsworth, the absence of an explanation from Mr. Okada is a substantial contributing factor which added to the overall uncertainty. Consequently, Ellsworth v. Moore, supra, is relevant, but not controlling.

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original document and that the original document was later provided to Sauer for inspection. Sauer contends that there is a line on Item 2 of Exhibit 1140, which is not present on the original document, and that Kanzaki's witnesses, when testifying with respect to what Item 2 of Exhibit 1140 shows with regard to a center section, have relied on that line. For identification purposes, this "line" is circled in blue on Exhibit 2496. Sauer argues that because of this discrepancy in Exhibit 1140 with respect to the original document and because of the reliance by Sauer's witnesses on the "line" absent on the original document, the testimony of Kanzaki witnesses regarding Item 2 of Exhibit 1140 should be given little, if any, weight.

Specifically, Sauer states (Supp. Opp. at 7):

The board should give little, if any, weight to Kanzaki's testimony regarding what is shown in Exhibit 1140 for at least one of three reasons. First, Mr. Azuma, senior managing director of Kanzaki, knew or should have known that the original brainstorming document Exhibit 1233 included multiple overlays which were undetectable on Exhibit 1140. Yet, Mr. Azuma did not communicate this most important fact to either Kanzaki's counsel or Sauer. Second, Kanzaki's witnesses were relying upon Exhibit 1140 and not the original brainstorming document, Exhibit 1233, for all their testimony. Finally, based on information and belief, someone at Kanzaki modified the illustration of item 2 of Exhibit 1140 in order that it appears that that item shows an IHT including a center section.

As early as March, 2002, Sauer had inspected the original document for which Exhibit 1140 is allegedly a copy. Sauer discovered then that the original document contains an "overlay" which appears on the copy as the original surface of the document. A conference call was held with Judge Lee in which Sauer requested submission of the original document to a professional document examiner to remove the overlay to reveal what drawings, if any, are covered by the

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overlay. An exchange of ideas ensued between the parties and the administrative patent judge, extending over several days. Ultimately, document examination by an expert was authorized, **provided** that the parties would stipulate in writing to all the apparent differences between Exhibit 1140 and the original document as have been explained to the administrative patent judge during the discussions. On April 1, 2002, a paper was filed entitled "STIPULATED SUBMISSION OF THE PARTIES RELATING TO OKADA EXHIBIT 1140." The paper reads (Paper No. 284):

Pursuant to a telephone conference with the Judge Lee on April 1, 2002, the parties hereby stipulate that the only relevant differences between Okada Exhibit 1140 and the original document from which it was derived are (1) the "star" notations in the margin by items nos. 2, 3, 4, and 6; and ([2]) the overlay on item no. 2.

The original document from which Okada Exhibit 1140 was derived is enclosed herewith as is a courtesy copy of Okada Exhibit 1140.

Thus, aside from the differences stipulated by the parties as is reflected in the above-quoted communication dated April 1, 2002, Sauer can raise no issue with regard to any other difference between Exhibit 1140 and the original document from which it came. The "line" referred to in Sauer's supplemental opposition as being present in Item 2 of Exhibit 1140 but not in the original document is not one of the stipulated differences between the parties. The telephone communications with the administrative patent judge prior to the submission of the paper setting forth the stipulated differences concerned not this "line" in Item 2 of Exhibit 1140 that is placed in issue by Sauer's supplemental opposition but what is not shown in Item 2 of Exhibit 1140 because of the overlay on the original covering what lies beneath.

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In any event, for reasons already discussed above, Kanzaki's Motion 15 to Correct  
Inventorship is **denied**.

Richard E. Schafer	)	
Administrative Patent Judge	)	
	)	BOARD OF PATENT
Jameson Lee	)	APPEALS
Administrative Patent Judge	)	AND
	)	INTERFERENCES
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