

I. Introduction

USPTO requests comments on the standard the Director should apply in order for the Director to be of the opinion that an interference-in-fact exists. That request appears in the notice "Standard for Declaring a Patent Interference," 65 FR 79809 (December 20, 2000). The standard that the Director ultimately chooses to apply will have far reaching ramifications. Obviously, that standard will affect the scope of interferences. However, it will *also* affect practice under 37 CFR 1.131 and the desirability of implementing in the U.S. a post grant opposition system. In response to some early comments in response to the notice, Senior Administrative Patent Judge McKelvey informally posed additional questions to the interference bar.

I discuss the background to this notice, address all of the USPTO's questions, and I also address comments from other members of the interference bar. My conclusions are that the USPTO has the authority to decide which test to apply for interference-in-fact, that 37 CFR 1.601 currently specifies a one-way test, and that a one-way test is preferable than a two-ways test for public policy reasons.

II. Response to the Supporting Conclusions and Statements in the Notice

The questions in the notice are preceded by legal conclusions which appear to vest more authority in the USPTO than I deem correct. Accordingly, I respond to many of these conclusions prior to addressing the questions posed by the notice.

The notice asserts that the Director has discretion in determining what constitutes an interference, citing *Ewing v. United States ex rel. Fowler Car. Co.*, 244 US 1, 11 (1917)). I agree that the notice's interpretation of *Ewing* is correct. I also agree that *Ewing* is still good law, since 35 USC 135(a) now states that it is "the opinion of the Director" that determines whether one application and another application or patent interfere.

The notice asserts that the Director's decision regarding whether to declare an interference based upon a particular fact pattern is not subject to review, citing *United States ex rel. International Money Machine Co. v. Newton*, 47 App.D.C. 449, 450 (1918). I agree that the notice's assertion is a correct conclusion to be drawn from *United States ex rel. International Money Machine Co.* insofar as the facts are limited to a single case. However, I do not agree that *United States ex rel. International Money Machine Co.* authorizes the Director to decide to declare an interference in one case and to not declare an interference in another case where the underlying issues are identical. Whatever action the Director takes in various cases must not be arbitrary, capricious, or an abuse of discretion. Cf. *Abrutyn v. Giovanniello*, 15 F.3d 1048, 1050-51, 29 USPQ2d 1615, 1617 (Fed. Cir. 1994). In addition, the Director's action must not violate the constitution. *Rydeen v. Quigg*, 748 F.Supp. 900, 906, 16 USPQ2d 1876, 1881 (D.C.D.C. 1990).

The notice asserts that a third party has no right to intervene in the prosecution of a particular patent, citing *Animal Legal Defense Fund v. Quigg*, 932 F.2d 920, 930, 18 USPQ2d 1677, 1685 (Fed. Cir. 1991). I do not agree with the sweeping conclusion drawn in the notice in reliance upon *Animal Legal Defense Fund*. *Animal Legal Defense Fund* was not a case where two claimants existed, and it was not a case where two claimants presented interfering claims.

In the case where there are first and second claimants whose claims interfere, it is reasonable to allow a first claimant to intervene in the second claimant's application for two reasons. First, if the second claimant's application issues, the first claimant's claims will be rejected based upon the second claimant's issued patent. Cf. *In re Ogiue*, 517 F.2d 1382, 1386, 186 USPQ 227, 231 (CCPA 1975). That result is unfair, because the first claimant may be entitled to the interfering claim. Second, parties with conflicting claims are much more likely to infringe those claims than a third party. Thus, the first claimant may be harmed by the improper issuance of the patent containing the interfering claim to the second claimant, because the patentee (second claimant) can then sue the first claimant for infringement.

Underlying the reasoning that rival claimants may have a right to intervene in special cases is the public policy of issuing only one patent on one patentable invention. See Neifeld, "Viability of the Hilmer Doctrine," 81 JPTOS 544 (July 1999) at section III, p. 546. It has long been recognized as the duty of the USPTO to implement this public policy. See *Reed v. Landman*, 1891 C.D. 73, 79 (Comm'r 1891)("The Patent Office must

not only determine between actually conflicting claims, but it must also protect the public from more than one patent on the same invention. Hence, it declares interferences, not between claims, but between applications containing conflicting claims, or between the application and the unexpired patent containing conflicting claims, as the case may be."). Allowing intervention in the special cases where there are interfering claims would certainly promote that public policy.

The notice relies upon *Winter v. Fujita*, 53 USPQ2d 1234 (BPAI 1999), reh'g denied, 53 USPQ2d 1478 (BPAI 2000) (expanded panel consisting of Stoner, Chief Administrative Patent Judge, McKelvey, Senior Administrative Patent Judge, and Schafer, Lee, and Torczon, Trial Section Administrative Patent Judges)(opinion by SAPJ McKelvey) for the conclusion that:

Recent precedent of the Trial Section of the Interference Division of the Board of Patent Appeals and Interferences confirms that resolution of whether an interference-in-fact exists involves a two-ways patentability analysis.

The precedent relied upon for this conclusion in the notice is the statement in *Winter* that:

Resolution of an interference-in-fact issue involves a two-way patentability analysis. The claimed invention of Party A is presumed to be prior art vis-a-vis Party B and vice versa. The claimed invention of Party A must anticipate or render obvious the claimed invention of Party B and the claimed invention of Party B must anticipate or render obvious the claimed invention of Party A. When the two-way analysis is applied, then regardless of who ultimately prevails on the issue of priority, the Patent and Trademark Office (PTO) assures itself that it will not issue two patents to the same patentable invention. [*Winter*, at 1243]

In my opinion, this holding in *Winter* is directly contrary to 37 CFR 1.601(j) and (n). 37 CFR 1.601(j) and (n) define the basis for what constitutes the Director's opinion that there is an interference-in-fact. Interference-in-fact is a term defined in 37 CFR 1.601(j) to exist when two parties have claims that "define the same patentable invention." The term "same patentable invention" is defined in 37 CFR 1.601(n) to exist for an invention 'A' relative to invention 'B':

when invention 'A' is the same as (35 U.S.C. 102) or is obvious (35 U.S.C. 103) in view of invention 'B' assuming invention 'B' is prior art with respect to invention 'A'.

Hence, the Director has defined, by rule, what constitutes the basis for the Director's opinion, within the meaning of 35 USC 135(a), that an interference exists in any give case. Specifically, the Director has defined by rule that an interference exists when the *one-way* obviousness test specified in 601(n) for "same patentable invention" is satisfied.

One might argue that case law controls the definitions of "interference-in-fact." However, case law is merely interpretation of the Director's opinion regarding when an interference exists, since 35 USC 135(a) leaves the determination of criteria defining an interference to the Director. The Director has established by rules the criteria defining when an interference exists. The rules established by the USPTO govern proceedings in the USPTO. 35 USC 2(b)(2) (As amended Nov. 29, 1999). Moreover, the rules have the force and effect of law. *Wyden v. Commissioner of Patents and Trademarks*, 807 F.2d 934, 935-36, 231 USPQ 918, 919-20 (Fed. Cir. 1986). 37 CFR 1.601(j) and (n) were implemented in 1984. The 1984 rule change implementing 37 CFR 1.601(j) and (n) define the law regarding what constitutes the Director's opinion within the meaning of 35 USC 135(a) that an interference exists. Hence the opinion in *Winter* is inconsistent with law because it is inconsistent with 37 CFR 1.601(j) and (n).

Prior to the 1984 rule change, the Director (then Commissioner)'s criteria defining an interference-in-fact was that claims of two parties were patentably indistinct from one another. In *Aelony v. Arni*, 547 F.2d 566, 192 UPSQ 486 (CCPA 1977), the Court of Customs and Patent Appeals indicated that the patentable indistinctness test was (in 1977) the test for interference-in-fact. The Court approved of that test because it carried out the statutory requirement that the USPTO issue only one patent for claims that were not patentably distinct from one another, stating that:

Turning to the merits, Aelony et al. argue that the interference was improper ab initio under 35 USC 135(a)⁵ because the cyclopentadiene material employed by Aelony et al. does not overlap the eight materials employed by Arni et al. Accordingly, say Aelony et al., there is no interference in fact. We disagree. We first note two published board opinions which addressed this same argument of no overlap, asserted in the same context as in the present case, viz., *Dewilde v. Leigh*, 191 USPQ 256 (PTO Bd. Pat. Int'f. 1976); *Moore v. McGrew*, 170 USPQ 149 (Bd. Pat. Int'f. 1971). In each case, the board ruled that the test of interference in fact is not whether two sets of claims overlap, but whether they are patentably distinct from each other. In each case, the board found that, although the two sets of claims before it were mutually exclusive, they were patentably indistinct, and hence there was an interference in fact. We believe that these board precedents correctly set forth the test of interference in fact and are grounded on sound policy considerations.⁶ Sections 102, 103, and 135 of 35 USC clearly contemplate where different inventive entities are concerned that only one patent should issue for inventions which are either identical to or not patentably distinct from each other. Hence, we view the phantom count practice as a proper procedural tool established by the PTO in order to ensure, where necessary, what the statute intends, viz., that only one patent should issue for one inventive concept. Moreover, we believe that there is ample precedent from this court for framing the test of interference in fact in terms of whether two sets of claims are patentably distinct from each other. See the *McCabe* case, subsequently quoted with approval in *Brailsford v. Lavet* and in *Nitz v. Ehrenreich*, all three cases cited supra.

⁵35 USC 135(a) reads as follows:

Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be. The question of priority of invention shall be determined by a board of patent interferences (consisting of three examiners of interferences) whose decision, if adverse to the claim of an applicant, shall constitute the final refusal by the Patent and Trademark Office of the claims involved, and the Commissioner may issue a patent to the applicant who is adjudged the prior inventor. A final judgment adverse to a patentee from which no appeal or other review has been or can be taken or had shall constitute cancellation of the claims involved from the patent, and notice thereof shall be endorsed on copies of the patent thereafter distributed by the Patent and Trademark Office.

⁶We note in passing an article in 3 Pat. L. Persp. Section C.1[4] (1971 Dev.) which comments favorably on the Moore case. [*Aelony*, at 569-70, 489-90.]

In summary, the conclusion in *Winter* that the criteria defining the existence of an interference is two-ways obviousness is contrary to the rules, specifically 37 CFR 1.601(n), implemented in 1984. Prior to 1984, an interference-in-fact existed when claims of two parties were patentably indistinct, as the term "patentably indistinct" is defined in the case law.

The notice asserts that "there is no *authority* under the law, to turn interference proceedings under 35 U.S.C. 135(a) into pre-grant oppositions or post-grant cancellations." In reply, I submit that there is no authority precluding the USPTO from taking that action in an interference. In fact, 35 USC 135(a) specifically authorizes the USPTO to decide questions of priority and patentability, and 35 USC 6(b) (added November 29, 1999) requires the USPTO to decide questions of priority and patentability. Therefore, that statement in the notice is not relevant to the standard the Director should apply in determining whether an interference exists.

The notice states that "there is no *desire* on the part of the USPTO ... to turn interference proceedings under 35 U.S.C. 135(a) into pre-grant oppositions or post-grant cancellations." In reply, the desire of the USPTO should be to implement its mission, which is defined by statute. Section 35 USC 6(b) of the statute states that the Board "*shall* determine priority *and* patentability of invention in interferences declared under section 135(a)...." Emphasis supplied. Unlike 35 USC 135(a), 35 USC 6(b) does not indicate that patentability determinations in an interference are discretionary.

III. Response to the Three Questions Posed in the Notice

The notice poses three questions, which I now address. In the first question, the notice asks:

If one-way patentability analysis is sufficient to establish an interference-in-fact, would it be possible to have an interference with two counts as set out in Example 4, reproduced above?

The answer to this question is yes, as I demonstrate below. For convenience, I copy here Example 4:

Example 4: Application G contains patentable claims 1 (engine), 2 (6-cylinder engine), and 3 (engine with a platinum piston). Application H contains patentable claims 11 (engine) and 15 (engine with a platinum piston). Claims 1 and 2 of application G and claim 11 of application H define the same patentable invention. Claim 3 of application G and claim 15 of application H define a separate patentable invention from claims 1 and 2 of application G and claim 11 of application H. If an interference is declared, there would be two counts: Count 1 (engine) and Count 2 (engine with a platinum piston). Claims 1 and 2 of application G and claim 11 of application H would be designated to correspond to Count 1. Claim 3 of application G and claim 15 of application H would be designated to correspond to Count 2.

In addressing the questions posed in the notice regarding Example 4, I assume that an engine containing a platinum piston would not have been obvious in view of either an engine or an engine containing six cylinders.

37 CFR 1.601(f) specifies that "each count shall define a separate patentable invention," and the test for "separate patentable invention" appears in 37 CFR 1.601(n). Applying the test in 37 CFR 1.601(n) for "separate patentable invention" to the claim to an engine with a platinum piston, and assuming that the claim to an engine with a platinum piston is non-obvious in view of the claim to the engine or the engine with six cylinders, leads to the conclusion that the claim to the engine with a platinum piston is a separate patentable invention from the claim to an engine. Since, the claim to an engine with a platinum piston is a separate patentable invention from the claim to an engine, the claim to an engine with a platinum piston can constitute a second count. Hence, the answer to the first question posed in the notice is yes.

The second question posed by the notice is:

How would having an interference with between claim 1 of application G and claim 15 of application H of Example 4 square with the holding in *Nitz v. Ehrenreich*, 537 F.2d 539, 543, 190 USPQ 413, 416-17 (CCPA 1976)?

In reply to the second question posed in the notice, I submit that *Nitz* is not relevant since the Commissioner's opinion in year 1976 regarding what constituted an interference is different from the Director's opinion in year 2001 specified in 37 CFR 1.601(n). See the discussion of *Aelony*, supra. *Nitz* was merely an interpretation of the Commissioner's (now Director's) opinion.

The third question posed in the notice is:

If a one-way patentability analysis is sufficient, what would it take to establish that there is no interference-in-fact in a given case?

In reply, there would be no interference in fact in two situations.

In the first situation, (1) the claim of the first party would not have been obvious in view of the subject matter defined by the claim of the second party and (2) the claim of the second party would not have been obvious in view of the subject matter defined by the claim of the first party. There is no interference-in-fact because the subject matter claimed by neither party is unpatentable based upon the subject matter claimed by the other party.

In the second situation, (1) the claim of the first party *would* have been obvious in view of the claim of the second party, (2) the claim of the second party would not have been obvious in view of the claim of the first party, but (3) *the first party has priority* for its claim. As in the first situation, there is no interference-in-fact

because the subject matter claimed by neither party is unpatentable based upon the subject matter claimed by the other party.

The answer to the second question posed in the notice is that establishing no interference-in-fact in a particular case would take showings of fact supporting the conclusions of obviousness, non-obviousness, and priority required in either one of the two foregoing situations.

A procedural problem with existing interferences is that their two-ways test based no-interference-in-fact determinations occur *before* priority determinations, and that the interferences *terminate* upon a conclusion of no two-ways obviousness. This is a problem because terminating an interference based upon a lack of two-ways obviousness without determining priority leaves open the possibility that the second to invent's claims are obvious (one-way obviousness) and therefore unpatentable based upon the first to invent's acts of invention. Failing to declare an interference based upon a lack of two-ways obviousness when there is one-way obviousness leads to the same result; invalid patents.

IV. Additional Questions Informally Posed by SAPJ McKelvey

A. The Additional Questions

SAPJ McKelvey posed two additional questions at the meeting of the AIPLA Interference Committee on February 02, 2001. First, in a genus species contest, what should be the count? Second, under what circumstances are both parties entitled to their claims?

B. The Answers to Additional Questions Flow from the Public Policy of Having Interferences

1. The Trial Section Thinks that Purpose of Interferences are Only to Aid Examiners in Examining Pending Applications

In reply generally, I first note that the public policy goal of interferences determines the answers to these additional questions. In recent cases, the Trial Section of the Board has indicated that its policy is to *limit* the scope of interferences. The two-ways test specified in *Winter* is one example. Another examples is *JD v. SH*, Paper No. 55, <http://www.uspto.gov/web/offices/dcom/bpai/its.htm>, (BPAI November 01, 1999)(Trial Section Precedential Opinion) in which the Trial Section stated that:

The purpose of having an interference is to assist an examiner in the examination of a patent application. When two applicants claim the same patentable invention, a patent is issued only to the applicant who is the first inventor. [Page 5.]

In the case before us, the interference was declared between the JD application and the SH patent. The interference was necessary for the examiner to know whether a patent may be issued to JD. [Page 7.]

Under the rationale in *JD*, the USPTO has no interest in determining if SH's issued patent is valid because that determination would not "assist an examiner in the examination of a patent application."

In *Louis v. Okada*, 57 USPQ2d 1430 (BPAI 2000)(expanded panel), the Trial Section held that it did not have jurisdiction to include in an interference a patent on the application side of an application-patent interference.

The standard Notice Declaring Interference ("NDI", which the Trial Section uniformly sends out for each new interference) contains numerous limitations, including 25-25-10 page limits for motions-oppositions-replies, and precluding incorporation-by-reference. The Trial Section requires strict compliance with those details in the notice. Cf. *LeVeen v. Edwards*, 57 USPQ2d 1406, 57 USPQ2d 1416 (BPAI 2000)(expanded panel)(citing procedural defects with motions as a basis to dismiss the motions, and indicating that a party cannot make their case in expert declarations referred to in their motions).

In *Winter*, the Trial Section indicated its resistance to considering patentability and validity issues, stating that:

... an interference is not a full-blown pre-grant opposition to the grant of a patent or a full-blown patent cancellation proceeding. [*Winter* at 1485.]

... Fujita maintains that the "patentability" issue should be fully developed and decided *inter partes*. We disagree and we reject, in this case, Fujita's attempt to turn these interferences into a pre-grant opposition against all "new" claims in the *Winter* and *Spalek* reissue applications, *neither of which is involved in these interferences*. [*Winter* at 1486; emphasis in the original.]

In summary, the Trial Section has limited, or maintained a limit on, the scope of interferences and the scope of patentability issues considered in interferences.

2. The Public Policy for Interferences Should be to Ensure that Patents Comply With 35 USC

In contrast to the policy implemented by the Trial Section, I assume that the policy goal for interferences was properly stated in *Aelony*, which generally to ensure that patents comply with 35 USC. It follows that interference law and practice including the basis for declaring interferences, count formulation, and the timing of terminating interferences should be implemented in a manner that avoids invalid patents. In order to avoid invalid patents, priority evidence needs to be placed in evidence during the interference when that evidence might show that one party's claims are unpatentable over it. In order to implement the public policy goal of using interferences to avoid invalid patents, in a species-genus interference, a species party should be allowed to get into and to remain in interference with a genus party through a determination of priority to allow the USPTO to have evidence relevant to whether the genus party's claim is invalid - - even when the species has already been determined to be patentably distinct (not obvious) from the genus.

Returning now to SAPJ McKelvey's first additional question, in determining whether the count in a species-genus interference should be the same scope as the species or the genus, one has to consider the purpose of the count. The count is the scope of subject matter for which a party can show priority of invention with respect to the other party's corresponding claims. Based upon the goal of allowing the species party to show the USPTO why the genus party's claim is unpatentable, the species party should be allowed to show the USPTO that the genus party's claim is unpatentable *inter alia* based upon anticipation by the species party's 102(g) prior inventions within the scope of the genus. Based upon this conclusion, I consider below various situations which all lead to the conclusion that the count should be of the same scope as the genus.

If the species party's 102(g) inventions are within the scope of its own disclosed species, then the species party will be able to prove up its earliest date of invention for either count.

If, on the other hand, the species party's earliest date of invention is for another species within the genus, the question should be: should the species party be allowed to rely upon acts of invention for any species within the genus to knock out the genus party's claim? The policy goal is to issue only valid claims. Therefore, the species applicant should be able to show any activity that would anticipate the genus so that the USPTO can determine whether the genus party's claim is valid. Accordingly, in this situation, the count should be the genus so that the species applicant can show any evidence of invention within the genus that might anticipate the genus claim.

What about the effect of priority determination on the species party? Traditionally in an interference, the party that loses on priority has judgement entered that it is not entitled to its corresponding claims. However, it would make no sense to enter judgement against the species party's claim if the species party's claim was non-obvious over the genus. Accordingly, if the species party's claim is found to be non-obvious in view of the genus, the formulation of the count should not affect the species party's right to a patent.

If the species party's claim is found to be obvious in view of the genus party's claim and the genus party shows priority of invention for any invention within the scope of the genus, then the species party should not be

entitled to its claim because that claim is unpatentable under 102/103 in view of the prior art genus. Therefore, in this situation, the count should be the same scope as the genus to allow the genus applicant to show that the genus applicant invented first so that the species party cannot obtain a patent on the species.

In summary answer to the first additional question posed by SAPJ McKelvey, for the reasons presented above, the count should be the genus.

In reply to the second additional question posed by SAPJ McKelvey, both parties are entitled to their claims when those claims satisfy *inter alia* 35 USC 102 and 103. That situation exists only when the USPTO determines (1) that the genus party had possession of the genus before the species party had possession of the species and (2) that the species party's species claim is non-obvious in view of the genus.

The Honorable Anthony Zupcic raised a concern that the genus party could be subject to multiple interferences with various species parties if a one-way test is applied. In reply to the concern, I note that a price of entry into an interference is a showing of priority over an opponent's patent or application's filing date, and that once an interference terminates, interference estoppel precludes the same party from raising any issue that the losing party could have raised in the interference. Accordingly, I do not believe that a one-way test leads to repeated or multiple interferences.

V. Public Policy Favors a One-Way Test

A. Under a Two-Ways Test, The USPTO Will be Forced to Knowingly Issue Invalid Patents in Contradiction to its Mission

The USPTO is charged with issuing only valid patents. Applying the two-ways obviousness test for interference-in-fact will create situations in which the USPTO will have to issue invalid patents knowing that there is a high likelihood the patents are invalid.

37 CFR 1.131 incorporates the test specified in 37 CFR 1.601(n). 601(n) is a one-way test. Therefore, a genus claimant *cannot* overcome a rejection based upon a patent claiming a species of the genus where the species is non-obvious in view of the genus by filing a 37 CFR 1.131 declaration antedating the species patent's filing date. However, the Trial Section will *not* declare an interference since there is no two-ways obviousness, thereby precluding the genus applicant from challenging the rejection. The opinion in *In re Eickmeyer*, 202 USPQ 655, 602 F.2d 974 (CCPA 1979) is right on point, indicating that this result is repugnant. There, the court stated that:

At the same time, we do not regard the opposite result (proposed here by the PTO) to be justifiable, namely: leaving an applicant in a position where he cannot overcome a reference by a 131 affidavit because the PTO has decided that the reference claims his invention, while, at the same time, he is denied an interference because the PTO has decided that the claims of his application and those of the reference are not for substantially the same invention. [*Eickmeyer*, at 661, 980.]

Cf. *In re Kroekel*, 803 F.2d 705, 231 USPQ 640 (Fed. Cir. 1986). In order to avoid running afoul of *Eickmeyer*, the USPTO *would have to* interpret 601(n) in accordance with *Winter* to specify a two-ways test. Under a two-ways test, the genus claimant *can* overcome a rejection based upon a patent claiming a species of the genus where the species is non-obvious in view of the genus, by filing a 37 CFR 1.131 declaration antedating the species patent's filing date. Once the genus claimant does that, the USPTO cannot maintain its rejection. However, under the rationale of *Winter*, the USPTO would have no basis to institute an interference. That would result in the USPTO's knowingly issuing a likely invalid patent to the genus applicant, contrary to the USPTO's mission and to public policy.

Further, I note that the *Eickmeyer* rationale is equally applicable to situations where there is partial overlap of claims in addition to the genus species relationship.

B. A Large Percentage of the Invalid Patents That the USPTO Will Issue Due to its Implementing a Two-Ways Test Cover Commercially Important Inventions

For the reasons presented below, a one-way test for interferences is more likely to result in less invalid patents covering commercially valuable subject matter.

Most interferences result from requests by applicants. Applicants know that interferences have a significant cost associated with them. Accordingly, applicants only choose to provoke an interference when the disputed claims cover a market of enough commercial significance to warrant the cost of an interference. A one-way test for an interference more often than a two-ways test will enable the USPTO to declare an interference and consequently determine which of two parties is rightfully entitled to a patent covering a market of commercial significance. Under the two-ways test, the USPTO will be issuing more invalid patents in commercially significant markets than under a one-way test. Since invalid patents have an anti-competitive effect, public policy favors the Director applying a one-way test for an interference. Whether the claims relationship is genus-species or partial overlap, parties fight in an interference because the overlapping claimed subject matter is what is most commercially significant. It is in those commercially significant cases where the public policy in only issuing valid patents is most important. In all such cases, applying the one-ways test better serves public policy by enabling the USPTO to prevent invalid patents.

C.A One-Way Test Partially Compensates for the Lack of a Post Grant Opposition System in the United States

A one-way test based interference system puts the U.S. one step closer, and in some respects surpasses, the efficiency of the post grant opposition systems in place around the world. The post grant opposition model does not limit standing to those opponents who have a stake in the market covered by the claimed invention. Typically, in those systems, anyone can oppose a patent. Allowing anyone to oppose a patent is inefficient because it allows oppositions when the opponent has no real commercial interest in the claimed invention. Thus, while oppositions may result in cancellation of invalid patents, no commercial significance attaches to some of those opposed or canceled patents. This subset of oppositions is economically inefficient, because their only effect is to use up time of scientists, patent attorneys, and examiners, that could be spent more productively.

In contrast to the opposition systems, the U.S. interference system requires a stake to enter the game. The interference requestor has to be in the market, in the sense that the interference requestor is patenting the same technology as their opponent, and the interference requestor has to consider the market for the technology significant enough to fight over. Hence, the U.S. interference system may result in a smaller fraction of invalid patents being canceled than in an opposition system, but the interference system has a certain efficiency because less resources are spent in the process of canceling invalid patents.

VI. Conclusion

In conclusion, public policy favors a one-way test. The USPTO should either overrule *Winter* and follow the one-way test specified in 37 CFR 1.601(n), or it should amend 37 CFR 1.601(n) to resolve the conflict between 37 CFR 1.601(n) and *Winter*. If the USPTO maintains the two-ways test for when an interference-in-fact exists (e.g., by amending 37 CFR 1.601(n) so that it is in accord with *Winter*), it needs to fix the *Eickmeyer* problem a two-ways test creates for 37 CFR 1.131 so that the USPTO can prevent issuance of invalid patents and issue valid patents.

In addition, if the USPTO maintains the two-ways test, there is a stronger need for a post grant opposition system than otherwise.

Truly,

Richard A. Neifeld

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