

The opinion in support of the decision being entered today is not binding precedent of the Board.

Paper 10

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

CHI-LIN O'YOUNG, REGIS J. PELLET,
ALISON E. HADOWANETZ, JOHN HAZEN and JAMES E. BROWNE

Junior Party,
(Patent 5,491,276),

v.

DONALD H. POWERS, BRENDAN D. MURRAY,
and BRUCE H. C. WINQUIST,

Senior Party
(Application 07/711,044).

Interference 104,592

Before: McKELVEY, Senior Administrative Patent Judge, and
SCHAFFER and GARDNER-LANE, Administrative Patent Judges.

McKELVEY, Senior Administrative Patent Judge

FINAL DECISION

Pending before the board are (1) O'Young's REQUEST FOR ADVERSE JUDGMENT (Paper 8) and (2) Powers' RESPONSE TO O'YOUNG'S REQUEST FOR ADVERSE JUDGMENT (Paper 7).

A. Findings of fact

1. The interference was declared on 20 July 2000.
2. On 3 August 2000, O'Young served a document styled REQUEST FOR ADVERSE JUDGMENT (Paper 8).
3. The O'Young document makes the following statement:

Due to lack of commercial interest in the invention claimed in the involved Patent No. 5,491,276, junior party O'Young et al. respectfully requests entry of adverse judgment in accordance with 37 C.F.R. § 1.662. This request is in no way based on a determination of priority of invention. The Junior Party O'Young et al. expressly reserves the right to challenge (in another forum) the validity of any patent issuing upon or claiming priority to the involved Powers et al. application on any ground, including but not limited to prior invention by another under 35 U.S.C. 102(g).

4. On 7 August 2000, Powers served a response (Paper 7).

5. The Powers response states:

O'Young cannot "reserve [] the right to challenge (in another forum) the validity of any patent issuing upon or claiming priority to the involved Powers et al. application on any ground, including but not limited to prior invention by another under 35 U.S.C. 102(g)." The entry of a judgment in the interference is entitled to issue preclusion effect. Coakwell v. United States, 292 F.2d 918, 130 USPQ 231 (Ct. Cl. 1961), made applicable to the Federal Circuit by South Corp. v. United States, 690 F.2d 1368, 215 USPQ 657 (Fed. Cir. 1982) (en banc).

6. 37 CFR § 1.662(a) [Rule 662(a)] provides in relevant part:

A party may, at any time during an interference, request and agree to entry of an adverse judgment.

* * * * *

Upon the filing by a party of a request for entry of an adverse judgment, the Board may enter judgment against the party.

B. Discussion

It appears that O'Young's assignee, Texaco, Inc., no longer has a commercial interest in the invention claimed in the O'Young patent involved in the interference. Lack of commercial interest in an invention is a legitimate reason for requesting entry of an adverse judgment--at least by a junior party.¹ However, a junior party cannot hold a senior party hostage on the issue of priority by leaving the senior party subject to a possible subsequent attack by the junior party which the senior party is prepared to defend at this time. In other words, the time for O'Young to establish priority vis-a-vis Powers is now--not at some time in the future.

O'Young says that it has made no determination on the merits that Powers is the first inventor. O'Young was under no obligation to do so as a condition precedent to filing a request for an adverse judgment. However, entry of an adverse judgment based on a request for entry of a judgment is considered by the United States Patent and Trademark Office (USPTO) as a judgment on the merits. Upon entry of an adverse judgment, insofar as the United States Patent and Trademark Office (USPTO) is concerned in connection with the examination

¹ A lack of interest by a senior party patentee would not per se be a legitimate basis for requesting entry of an adverse judgment. Rather, the senior party could elect not to participate in the interference and leave the junior party to its proofs on the issue of priority. Under those circumstances, the board would determine, essentially ex parte, whether the junior party had established priority vis-a-vis the senior party's filing date.

of the Powers application, O'Young is not a prior inventor vis-a-vis Powers and the USPTO is free to issue a patent to Powers notwithstanding the O'Young patent. Likewise, upon entry of an adverse judgment, the estoppel provisions of 37 CFR § 1.658(c) [Rule 658(c)] would apply to O'Young, e.g., in reissue proceeding seeking to reissue the O'Young patent involved in the interference.

Entry of an adverse judgment based on a request for entry of an adverse judgment is discretionary--Rule 662(a) says the board "may" enter an adverse judgment. Based on the record before us, we are not entirely sure whether O'Young would have requested entry of an adverse judgment had O'Young understood the consequences of its request. Nevertheless, in view of Texaco's express lack of commercial interest, we will exercise discretion to grant the O'Young request and enter a judgment against O'Young. If upon consideration of the discussion in this opinion, O'Young is of the view that an adverse judgment should not have been entered, O'Young may timely file a request for reconsideration within **one (1) month** of the date of this FINAL DECISION asking for entry of an order vacating this FINAL DECISION and for the interference to proceed in the normal manner. 37 CFR § 1.658(b).

Powers maintains that a final decision in an interference "is entitled to issue preclusion effect" before the Federal courts. We express no views on the preclusive effect of our judgment in this interference in future proceedings before a Federal court. Our sole concern is with respect to possible future proceedings before the USPTO.

C. Order

Upon consideration of the record, and for the reasons given, it is

ORDERED that judgment on priority as to Count 1, the sole count in the interference, is entered with prejudice against junior party CHI-LIN O'YOUNG, REGIS J. PELLET, ALISON E. HADOWANETZ, JOHN HAZEN and JAMES E. BROWNE.

FURTHER ORDERED that junior party CHI-LIN O'YOUNG, REGIS J. PELLET, ALISON E. HADOWANETZ, JOHN HAZEN and JAMES E. BROWNE is not entitled to a patent containing claims 1-8 (corresponding to Count 1) of U.S. Patent 5,491,276, granted 13 February 1996, based on application 08/202,866, filed 25 February 1994.

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

FRED E. McKELVEY, Senior)
Administrative Patent Judge)
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)
_____)
RICHARD E. SCHAFER) BOARD OF PATENT
Administrative Patent Judge) APPEALS AND
) INTERFERENCES
)
_____)
SALLY GARDNER-LANE)
Administrative Patent Judge)

104,592
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