

The opinion in support of the decision being entered today is not binding precedent of the Board.

Paper 27

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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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VICTOR BRONSZTEIN,

Junior Party,  
(Patent 5,766,520),

v.

BRUCE ROSER and ENDA MARTIN GRIBBON,

Senior Party  
(Application 08/923,783).

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Patent Interference 104,727 (McK)

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**ORDER SETTING TIMES**

**A. Conference calls**

I.

A first telephone conference call was held on 19 September 2001, at approximately 1:30 p.m. (1330 hours E.S.T), involving:

1. Fred E. McKelvey, Senior Administrative Patent Judge.
2. Daniel E. Altman, Esq., and Mark R. Benedict, Esq., counsel for Bronshtein.
3. Thomas E. Ciotti, Esq., Madeline Johnston, Esq., and Shanpanu Basu, Esq., counsel for Roser.

## II.

A second telephone conference call was held on 1 October 2001, at approximately 1:30 p.m. (1330 hours E.S.T), involving:

1. Fred E. McKelvey, Senior Administrative Patent Judge.
2. Brenton R. Babcock, Esq., and Mark R. Benedict, Esq., counsel for Bronshtein.
3. Thomas E. Ciotti, Esq., Madeline Johnston, Esq., and Shanpanu Basu, Esq., counsel for Roser.

### **B. Relevant discussion during conference calls**

#### I.

The principal purpose of the first conference call was to set times for taking action during the preliminary motion phase of the interference. As it turns out, Bronshtein believes there is no interference-in-fact. Roser disagrees, but in any event believes it can add a claim to its involved application which would interfere-in-fact with an involved Bronshtein claim. Bronshtein maintains that any claim which could be added by Roser would be barred by 35 U.S.C. § 135(b).

Bronshtein was authorized to file a preliminary motion for judgment based on no interference-in-fact. 37 CFR § 1.633(b). The preliminary motion was timely filed and served and was received by the board on 26 September 2001 (Paper 26).

Roser was authorized to file a preliminary motion to add claims to its application to be designated as corresponding to the count. 37 CFR § 1.633(i) and 37 CFR § 1.633(c)(2). The preliminary motion was timely filed and served and was received by the board on 27 September 2001 (Paper 26).

No other preliminary motion was authorized during the first conference call.

After reviewing the preliminary motions authorized to be filed, the parties would know whether affidavit evidence would be needed in support of any opposition. A second conference call was scheduled for Monday, 1 October 2001 at 1:30 p.m. (1330 hours E.S.T.). At the second conference calls, dates for taking action on preliminary motions would be set.

## II.

During the second conference call, it became manifest that further preliminary proceedings were needed to place before the board the question of whether there is an interference-in-fact between the current involved claims of Bronshtein and Roser and, if not, whether Roser can present claims in its application which would (1) interfere-in-fact with the involved Bronshtein claims and (2) comply with 35 U.S.C. § 135(b).

The following comments were made during the second conference call.

The Roser preliminary motion is procedurally defective because it refers to two Exhibits 1001, characterizing one as a "documentary" exhibit and the other as a "declaration" exhibit.

No two exhibits are to have the same exhibit number and no exhibit is to be characterized as documentary or declaration. See § 39 of the STANDING ORDER (Paper 2).

Roser was authorized to file a preliminary motion under 37 CFR § 1.633(i), only to the extent that it is contingent on the granting of Bronshtein preliminary motion 1. In other words, a condition precedent to the consideration of Roser preliminary motion 1 would be a holding that there is no interference-in-fact between the current involved claims of Bronshtein and Roser. Thus, for the purpose of Roser preliminary motion 1, Roser has to concede the existence of no interference-in-fact as to the current claims involved in the interference.

Apart from a Bronshtein preliminary motion for judgment based on no interference-in-fact and a Roser preliminary motion responsive seeking to add claims which interfere-in-fact with Bronshtein's involved claims and to overcome a granting of Bronshtein preliminary motion 1, no other preliminary motions were, or have been, authorized to be filed at this time.

Roser preliminary motion 1 and Roser's proposed amendment will be returned without prejudice to timely renewal. 37 CFR § 1.618(a). Roser's exhibits will be retained, but if Roser intends to continue to rely on the Lee declaration, then the Lee declaration should be assigned Exhibit number 1014. During the conference call, Roser indicated that it may rely on a different expert witness. If so, then the Lee declaration will be returned at a later date.

### C. Time periods

In accordance with discussion during the telephone conference calls of 19 September 2001 and 1 October 2001, and upon consideration of:

- (1) Roser, et al. list of preliminary motions (Paper 13);<sup>1</sup>
- (2) Junior party Bronshtein's proposed order setting times (Paper 14);<sup>2</sup>
- (3) Junior party Bronshtein's list of proposed preliminary motions (Paper 15);<sup>3</sup>
- (4) Roser proposed order setting times (Paper 16) and
- (5) Supplement to Roser list of preliminary motions (Paper 17),

it is

ORDERED that Roser preliminary motion 1 (Paper 26) and Roser proposed amendment (Paper 25) are returned to counsel for Roser without prejudice to Roser filling a revised Roser preliminary motion 1 and an opposition to Bronstein preliminary motion 1 on or before **12 October 2001**.

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<sup>1</sup> The parties should not use "et al" in headings. See STANDING ORDER, § 25 (first paragraph). An appropriate style would have been "Roser preliminary motion list."

<sup>2</sup> The style of the paper exceeds a single line contrary to STANDING ORDER, § 25 (first paragraph). An appropriate style would have been "Bronshtein proposed order setting times."

<sup>3</sup> An appropriate style would have been simply "Bronshtein preliminary motions list."

FURTHER ORDERED that on or before **1 November 2001**, Bronshtein is authorized to file an opposition to Roser preliminary motion 1.

FURTHER ORDERED that Bronshtein shall place a conference call to the board to begin at 1:30 p.m. (1330 hours, E.S.T.) on **2 November 2001**, at which other times for taking action will be set.

FURTHER ORDERED that cross-examination of any affiant relied upon by Roser shall take place within 25 miles of the office of counsel for Bronshtein or counsel for Roser the choice being that of counsel for Roser and that cross shall take place during the week of **22 through 26 October 2001**.

FURTHER ORDERED that the parties shall promptly advise the board of the time and date for cross-examination (it was agreed cross would begin at 10 a.m. (P.S.T.), which is 1:00 p.m (E.S.T.), and that there would be a speaker phone so that the board could orally hear cross).

FURTHER ORDERED that Bronshtein shall file with the board under seal (and need not serve on Roser) any document it plans to use during cross.

The time periods have been set following a consideration of the papers filed to date in the interference, and more importantly oral discussions with counsel for the parties during telephone conference calls. On behalf of the board, I acknowledge with appreciation the willingness of counsel to

provide input and the objective and candid manner in which that input has been provided to the board, while at the same time zealously representing their respective clients.

Bronshtein's assignee Universal Preservation Technologies, Inc. ("UPT") has asked that the board treat a no interference-in-fact issue as a threshold issue (Paper 14). Basically, it is the board's understanding that the Bronshtein patent involved in the interference is important, if not essential, for the economic survival of Bronshtein's assignee (Universal Preservation Technologies, Inc. ("UPT")). In my words, the patent may be the "life line" of UPT. UPT is said to be a small company with limited capital. An interference necessarily places a cloud on the viability of a patent involved in the interference. It is not difficult at all to understand why a lengthy interference might seriously impair UPT's ability to conduct its business, including its ability to raise needed capital. Bronshtein says that UPT is currently involved in business negotiations with Roser's assignee, Quadrant Healthcare (U.K) Limited ("Quadrant"). According to UPT, Quadrant is in a superior financial position. UPT reasons that, from a business negotiation point of view, Quadrant might prefer, in my words, "to drag things out" (I will note that I have not detected the slightest evidence of any bad faith on the part of Quadrant or of any attempt by Quadrant to engage in any shenanigan which "might delay things" in this interference).

Several factors have lead me to conclude that the board should, in this particular case, treat as threshold matters any issues related to no interference-in-fact (35 U.S.C. § 135(a) and 37 CFR § 1.633(b)) and failure to timely present claims (35 U.S.C. § 135(b) and 37 CFR § 1.633(a)) which may arise out of an attempt by Roser to now present claims in its involved application.

2.

For the reasons mentioned in Gluckman v. Lewis, 59 USPQ2d 1542 (Bd. Pat. App. & Int. 2001) (non-binding single judge order), if there is no interference-in-fact there is no apparent reason why a party should have to expose its claims to attack by its opponent. If there is no interference-in-fact, there is no reason for an interference; the involved claims of both parties would be patentable apart from the date which its opponent may have made its claimed invention. A question of whether there is an interference-in-fact may properly be viewed as a threshold issue. If there is no interference-in-fact, an argument can be made that the interference should be terminated and should not be allowed to continue to serve as a pre-grant opposition as to any involved application or a post-grant cancellation as to any involved patent.

3.

To the extent a party seeks to overcome an unfavorable no interference-in-fact decision by adding appropriate claims to its application and to the extent the opposition to adding the claims



is based on 35 U.S.C. § 135(b), the § 135(b) issue is one which may, and probably should, be decided early in an interference. Section 135(b) is a statute of limitations (some say a statute of repose) which precludes an applicant from involving a patentee in an interference when the applicant fails to timely present claims to the same or substantially the same invention as that claimed by the patentee. Hence, it may properly be viewed as a threshold issue.

4.

A decision granting Bronshtein's preliminary motion for no interference-in-fact and denying Roser's motion to add claims (based on a failure to comply with 35 U.S.C. § 135(b)) would counsel toward termination of the interference.

5.

Fourth, the principal purpose of the patent system in the United States is to stimulate the economic well-being of the nation. Both parties in this interference contribute to the nation's economy. One, UPT, is a small domestic entity. The other is an English company which engages in commerce within the United States, and therefore also contributes to the economic well-being of the nation.

UPT owns a patent and the viability of that patent is under a cloud an interference. Prompt resolution of the interference may effect whether UPT survives or not. Thus, a prompt

resolution of the interference may help to save a company, and the domestic jobs, it represents.

Quadrant, while a foreign entity, also contributes to the nation's economy through its involvement in providing services within the United States. While resolution of the interference may not have as direct an effect on Quadrant's ability to continue as an economic entity, as it may have on UPT, Quadrant too is entitled to know where it stands. While the board is not directly involved in economic affairs of private industry, we nevertheless are sympathetic to those who have to make business decisions when those decisions turn on an uncertainty related to patent rights. The pendency of an interference is but one of the uncertainties with which business decisionmakers have to deal.

To the extent there are business negotiations ongoing between the parties, there is no doubt in my mind that prompt resolution of the interference can only advance those negotiations (I have not overlooked the fact that those negotiations can also lead to settlement of the interference).

There may be a tendency to look at patent interferences before the board as an administrative legal proceeding which proceeds according to a rigid set of rules where flexibility may not be uppermost in the minds of the board or the parties or the attorneys representing the parties. In fact, nothing is further from the truth. The interference rules are to be interpreted to resolve interference in a speedy, fair and inexpensive manner, if reasonably possible. 37 CFR § 1.601. Those rules are entirely

consistent with the view that the patent system is to be used primarily as a tool to stimulate the economy and provide a basis for economic certainty. It follows that the board must have sufficient discretion, within its rules, to be able to achieve in particular cases results consistent with the purpose of the patent system while at the same time providing a full and fair opportunity to the parties to present their cases, if reasonably possible, on the merits. The time periods being set today are believed to be consistent with the objectives mentioned above.

Fred E. McKelvey  
Senior Administrative Patent Judge

1 October 2001  
Arlington, VA

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via First Class Mail with Papers 25 and 26  
to counsel for Roser):

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