

Keywords: Interference; One-Way Test; Two-Way Test; Same Patentable Invention; 37 C.F.R. § 1.601(n)

General: In determining whether two claims claim the same patentable invention for purposes of an interference, the Director may employ a two-way test.

Eli Lilly & Co. v. Board of Regents of the University of Washington
67 U.S.P.Q.2d 1161 (Fed. Cir. 2003)
July, 3, 2003

I. Facts

On August 15, 1985, the University of Washington (the “University”) filed a patent application, a continuation of which issued as the ‘529 patent. Claim 1 of the ‘529 patent claimed cDNA sequences coding the amino acid sequence of human protein C. Claim 3 of the ‘529 patent depended from claim 1 and claimed a specific cDNA sequence.

Eli Lilly received the ‘624 patent on an application filed on February 8, 1985, i.e., prior to the filing by the University. On November 4, 1998 Eli Lilly surrendered the ‘624 patent in conjunction with filing the ‘663 reissue application. In addition, Eli Lilly requested an interference between claim 3 of the ‘529 patent and the corresponding claims of the ‘663 reissue application. The Board declared the requested interference.

Subsequently, however, the Board granted the University’s motion for judgment of no interference-in-fact between claim 3 of the ‘529 patent and the corresponding claims of the ‘663 reissue application because different sequences were claimed. In response, Eli Lilly moved to redefine the interfering subject matter to include claim 1 as well as claim 3 of the ‘529 patent. In this motion, Eli Lilly proposed two alternative constructions for claim 1 of the ‘529 patent, a species construction claiming the depicted sequence and a genus construction claiming any cDNA sequence coding for human protein C.

The Board applied a two-way test in evaluating claim 1 of the ‘529 patent and the corresponding claims of the ‘663 reissue application and found that, regardless of the construction of claim 1, there was no interference-in-fact. Accordingly, the Board dismissed Eli Lilly’s motion to redefine the interfering subject matter as moot. Eli Lilly appeals from this dismissal.

II. Issues

- A. Is the Director’s two-way test for determining whether two parties claim the same patentable invention permissible under the applicable rules and law?
- B. Did the Board err by not definitively construing claim 1 of the ‘529 patent before applying the two-way test?

III. Discussion

- A. Yes. The position advanced by Eli Lilly recognized that, under 35 U.S.C. § 135(a), the Director has some degree of discretion in the declaration and conduct of an interference.

However, Eli Lilly argued that this discretion was limited by statutory mandate requiring the issuance of a patent to the first inventor. Based on these premises, Eli Lilly maintained that, under the circumstances of a genus claim of a junior party being allegedly anticipated by a species claim of the senior party, a one-way test for whether the two claims were the same patentable invention was proper. Under such a one-way test, the same patentable invention would be found if the claimed species anticipates or renders obvious the claimed genus, *or* if the claimed genus anticipates or renders obvious the claimed species.

The majority, however, rejected this reasoning and accepted the position of the Board. In accepting this position the majority references an *amicus* brief filed by the Director interpreting 37 C.F.R. § 1.601(n) as requiring a two-way test. The rationale provided by the Director is that the two-way test proposed by Eli Lilly is over inclusive and would force the declaration of interferences in cases where both genus and species claims might be allowable, i.e., where the species and genus do not define the same patentable invention but merely overlap in scope. In support of this conclusion, the majority indicates that the Director's position is within the discretion granted the Director under 35 U.S.C. § 135(a). Therefore, the majority found that the Director's interpretation of his own regulations was neither plainly erroneous nor inconsistent with the regulation. In particular, the language of 37 C.F.R. § 1.601(n) supports an interpretation that the inventions of *both* parties may be assumed to be prior art with regard to one another. The majority recognizes that such a two-way test is under inclusive but found that the director could reasonably opt to use the under inclusive two-way test as opposed to the over inclusive one-way test.

- B. No. In the present case, the Board failed to construe claim 1 of the '529 patent prior to applying the two-way test to determine whether claim 1 was the same patentable invention as the corresponding claims of the '663 reissue application. However, this failure did not constitute reversible error because the Board found that, whether construed narrowly or broadly, the respective claims did not define the same patentable invention. Because neither proposed construction resulted in finding the same patentable invention, it was not necessary that the Board definitively construe claim 1 of the '529 patent.

IV. Conclusion

In dissent, Judge Lourie argues that the language of 37 C.F.R. § 1.601(n) plainly describe a one-way test and does not support a two-way test and that the Board failed to consider that Eli Lilly was the senior party, which would be relevant in his reading of the regulation. With regard to the argument that use of the under inclusive two-way rule would avoid unnecessary interferences which might burden the Patent Office, Judge Lourie points out that it is the job of the Patent Office to decide such matters and it is preferable for the overburdened Patent Office to do so than the overburdened courts.