

Keywords: **Obviousness-Type Double Patenting; Terminal Disclaimers; Common Inventorship; Common Ownership**

General: Complete identity of inventors and common ownership are not prerequisites to an obviousness-type double patenting rejection. Further a terminal disclaimer filed to overcome an obviousness-type double patenting rejection is effective only where the application and conflicting patent are commonly owned.

In re Hubbell
(Fed. Cir. 2013)
Decided March 7, 2013

I. Facts

An application generally relating to the field of tissue repair and regeneration was filed on August 27, 2003 and claimed priority to an application filed April 3, 1997 (“the ‘509 Application”). The application was based on research by Jeffery Hubbell and three other inventors who were affiliated with CalTech. Accordingly, the ‘509 Application is assigned to CalTech.

In 1998 Hubbell left CalTech and joined the faculty at a university in Zurich (“ETHZ”). An application that eventually issued as the ‘685 patent was filed on December 17, 2002 and issued on October 13, 2009, based on research by Hubbell and two other inventors conducted at ETHZ. Accordingly, the patent is assigned to ETHZ. While the ‘509 Application and the ‘685 patent name two common inventors, but do not have identical inventive entity and have neither common owners, nor common assignees.

During prosecution of the ‘509 Application, the Examiner finally rejected each of the claims for obviousness-type double patenting over four applications/patents. On appeal, the Board reversed the Examiner’s obviousness-type double patenting rejection based on one of the references and affirmed the rejections based on the other three references. Because Hubbell indicated a willingness to file terminal disclaimers and because the filing of terminal disclaimer is proper in the case of two of the three remaining references, those rejections are not at issue before the Federal Circuit.

Accordingly, the only rejection that is present before the Court is the obviousness-type double patenting rejection of the ‘509 Application based on the claims of the ‘685 patent. Of note is that the Board found, and the parties agree, that the conflicting claims in the ‘685 patent are a species of the genus claims of the ‘509 Application and that the genus claims in the ‘509 Application are anticipated by the issued species claims of the ‘685 patent. Hubbell appealed to the Federal Circuit to resolve a number of issues enumerated below.

II. Issue

- A. Is common ownership or identity of inventors a prerequisite for application of an obviousness-type double patenting rejection?
- B. If obviousness-type double patenting does apply, is Hubbell entitled to file a terminal disclaimer as an equitable measure?
- C. Should the rejected claims be reconsidered under a two-way obviousness analysis?

III. Discussion

A. No. The first issue on appeal is whether obviousness-type double patenting applies when an application and a conflicting patent with one or more inventors in common but the inventive entities are not identical and the applications were never commonly owned. In affirming the Board's decision that such a rejection does apply in this situation, the Court noted that not only does the MPEP specifically contemplate application of obviousness-type double patenting in these circumstances, but that the prior case law also supports application of obviousness-type double patenting here as well.

Then MPEP provides that obviousness-type double patenting may exist between an issued patent and application filed by "the same inventive entity, or by a *different inventive entity having a common inventor*, and/or by common assignee/owner." MPEP §804(I)(A) (emphasis added). The Court noted that while the MPEP is not binding, judicial notice is taken to the extent that it does not conflict with statutory text. The Court found this provision of the MPEP to be consistent with prior case law.

In discussing legal precedent, and specifically the *Van Ornum* and *Fallaux* cases, the Court reiterated its previous position that there are two justifications for obviousness-type double patenting: 1) to prevent unjustified time wise extension of the right to exclude granted by a patent; and 2) to prevent multiple infringement suits by different assignees asserting essentially the same patented invention. Because the Court was not persuaded by Hubbell's attempt to distinguish the prior cases from the instant case and because the Court could find no reasonable basis to abandon precedent, the Court found the Board's final rejection proper in rejecting complete identity of inventors or common ownership as a prerequisite to an obviousness-type double patenting rejection.

B. No. In the alternative, Hubbell argued that if obviousness-type double patenting does not apply the Court should authorize the filing of a terminal disclaimer to overcome the rejection. The Court noted that as a general rule the terminal disclaimer filed to overcome an obviousness-type double patenting rejection is effective only where the application and conflicting patent are commonly owned. Specifically, 37 CFR §1.321(c)(3) explicitly provides what a terminal disclaimer "filed to obviate judicially created double patenting in a patent application" must include "a provision that any patent granted on the application...shall be enforceable *only for and during such period that said patent is commonly owned* with the application and patent which formed the basis for the judicially created double patenting rejection" (emphasis added). Recognizing these clear guidelines, Hubbell attempted to rely on the Creative Research and Technology Enhancement Act of 2004 ("the CREATE Act"), which amended 35 USC §103(c) to provide that otherwise unrelated persons can be treated as common owners under the statute if: 1) that parties to a joint research agreement that was in effect on or before the claimed invention was made; 2) the claimed invention was made as a result of activities undertaken with a scope of the joint research agreement; and 3) the application for patent for the claimed invention discloses or is amended to disclose the names of the parties to the joint research agreement. The Court summarily dismissed Hubbell's reliance on the CREATE Act noting that there is no joint research agreement between the assignees.

C. No. Hubbell also argued that the rejected claims should be reconsidered under a two-way obviousness analysis. Generally, a one-way test applies to determine obviousness-type double patenting. Under the one-way test, the inquiry is whether the application claims are obvious over the patent claims. However, in certain narrow circumstances a two-way test may apply in which the inquiry is whether the patent claims are also obvious over the application claims. If not, the application claims may be allowed as non-obvious.

The two-way test arose to prevent rejections for obviousness-type double patenting when the applicants filed first for basic invention and later for an improvement, but, through no fault of the applicants, the PTO decided the applications in reverse order of filing rejecting the basic application although it would have been allowed if the applications had been decided in the order of their filing. In discussing the very narrow exception to the general rule of the one-way test, the Court noted that the two-way test is appropriate only in the "unusual circumstance" where "the PTO is solely responsible for the delay causing the second filed application to issue prior to the first."

In discussing Hubbell's request for application of a two-way test, the Court noted that there was ample evidence and admissions that Hubbell was at least partially to blame for the delayed prosecution of the '509 Application, and thus the prior issuance of the '685 patent. For instance, rather than pay the issue fee of the parent application, Hubbell allowed the parent to go abandoned and filed the '509 application instead. The Court noted that these prosecution choices resulted in the foreseeable consequence that the '685 patent issued before the claims on appeal. Because the Court found that it is undisputed that the PTO was not solely responsible for the delay, Hubbell is not entitled to a two-way obviousness analysis.

IV. Conclusion

Complete identity of inventors and common ownership are not prerequisites to an obviousness-type double patenting rejection. A terminal disclaimer filed to overcome an obviousness-type double patenting rejection is effective only where the application and conflicting patent are commonly owned. A two-way test may only be used to overcome an obviousness rejection in situations where the PTO is solely responsible for a later-filed application issuing before a previously filed application.