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United States Court of Appeals for the Federal Circuit

03-1278
(Interference No. 104,818)

IN RE JEFFREY M. SULLIVAN and DANIEL ANTHONY GATELY,

DECIDED: December 9, 2003

Before LINN, Circuit Judge, ARCHER, Senior Circuit Judge, and DYK, Circuit Judge.
LINN, Circuit Judge.

Jeffrey M. Sullivan and Daniel Anthony Gately (collectively “Sullivan”) appeal from a decision by the Board of Patent Appeals and Interferences of the United States Patent and Trademark Office, in which the Board entered judgment on priority against Sullivan. Sullivan v. Bingel, 2003 WL 1202245 (Bd. Pat. App. & Interf. 2003). Because the Board’s conclusion that Sullivan’s concession on priority allowed the interference to be terminated was not arbitrary, capricious, an abuse of discretion, unsupported by substantial evidence, or otherwise not in accordance with law, we affirm.

I

Sullivan was awarded United States Patent No. 6,015,916 on January 18, 2000. On August 10, 2001, Bingel copied claims 10-14 of the '916 patent in his pending patent application, Serial No. 09/508,057, to provoke an interference with that patent. On May 28, 2002, the Examiner declared an interference between the '916 patent and the '057 application. On November 20, 2002, the interference was redeclared to add Sullivan's United States Patent No. 6,455,719. At that time, the Board also entered an amendment to one of the copied claims in the '057 application. After the interference was redeclared, Sullivan filed a number of preliminary motions, in which he argued, inter alia, that the parties' claims corresponding to the interference were unpatentable as obvious in view of certain prior art references, and that the Bingel claims involved in the interference were barred by 35 U.S.C. § 135(b), because claims 10-14 of the '916 patent had been copied more than one year after the issuance of that patent.

Before the Board ruled on Sullivan's preliminary motions, however, it issued an order to Sullivan to show cause why judgment on priority should not be entered against him.

In response, Sullivan stated that he "acced[ed], on the facts presented, to the entry of judgment on priority only against Sullivan and in favor of Bingel." In light of this concession on priority, the Board terminated the interference. Finding that "there is little justification in continuing the interference to develop fully issues that can be administered more efficiently in an examination," the Board dismissed Sullivan's preliminary motions as moot. It did, however, recommend that the Examiner consider the issues raised in those motions, and noted that Sullivan was entitled to file a protest against the '057 application under 37 C.F.R. § 1.291.

II

Sullivan challenges the final decision of the Board on a number of grounds. First, he argues that this court lacks jurisdiction to review the decision because “the Board never acquired jurisdiction,” allegedly because some of the claims involved in the interference were copied more than one year after the issuance of the ’916 patent. Sullivan’s jurisdictional argument is unpersuasive. This court has jurisdiction over appeals from decisions of the Board “with respect to . . . interferences” pursuant to 28 U.S.C. § 1295(a)(4). Even if the Board’s assertion of jurisdiction were improper, this court would still have jurisdiction to review the decision, make that determination, and ultimately remand the case with instructions to dismiss. *See, e.g., Mitchell v. Maurer*, 293 U.S. 237, 243-44 (1934) (holding that jurisdiction was not proper in the district court and remanding with directions to dismiss).

Sullivan argues that the Board’s actions were “void ab initio” because the original declaration of the interference was allegedly unlawful. Whether or not the original interference was erroneously declared, however, the Board subsequently redeclared the interference, in the exercise of its discretion under 35 U.S.C. § 135(a) and 37 C.F.R. § 1.640(b)(1). The Board noted that the Bingel amendment to claim 8, which it entered simultaneously with the redeclaration of the interference, “may obviate Sullivan’s 35 U.S.C. § 135(b) motion.” This was so because Sullivan “failed to specifically explain how Bingel’s amended claim 8 is the same or substantially the same subject matter as claimed in Sullivan’s ’916 patent. To establish that the Board lacked jurisdiction, Sullivan must demonstrate not that the original declaration was improper, but rather that the redeclaration of the interference between the amended Bingel application and the two Sullivan patents was somehow unlawful.

Sullivan attacks the redeclaration of the interference and entry of the amendment on the grounds that he was given no notice or opportunity to be heard. The record indicates, however, that the Board notified Sullivan that an opposition to Bingel's expedited motion to amend could be filed and was due no later than November 18, 2002. Furthermore, the Board's November 20, 2002 order entering the amendment reflects that an opposition was filed by Sullivan: "Sullivan alleges that the request and entry of the Bingel amendment is improvident due to 35 U.S.C. § 135(b) and 37 C.F.R. § 1.56." On this record, we cannot conclude that the Board's actions in redeclaring the interference were arbitrary, capricious, an abuse of discretion, unsupported by substantial evidence, or otherwise not in accordance with law.^[1]

Sullivan also argues that the Board "inappropriately sought to relegate a part of its inter partes jurisdictional obligations to ex parte determination by the examiner." In other words, because the Board had jurisdiction not only over the issue of priority but also the patentability issues Sullivan raised in his preliminary motions, Sullivan argues that the Board was required to address patentability even after it had rendered a decision on priority. This argument has no merit. The statutory provision governing interferences draws a distinction between the two issues: "The Board of Patent Appeals and Interferences shall determine questions of priority of the inventions and may determine questions of patentability." 35 U.S.C. § 135(a) (2000). Once an interference is declared, therefore, the statute mandates only that the issue of priority be decided; the Board has discretion to terminate an interference once priority is determined. Berman v. Housey, 291 F.3d 1345, 1352 (Fed. Cir. 2002) (rejecting the proposition that "all issues relating to patentability that are fairly raised in an interference must be addressed by the Board"); see also Eli Lilly & Co. v. Bd. of Regents of the Univ. of Wash., 334 F.3d 1264, 1267 (2003) ("This authority for the Board to determine questions of priority . . . does not

vitate the Director's discretion to begin or discontinue an interference once declared."'). We discern no abuse of that discretion in the Board's termination of an interference where one party concedes that it lacks priority. Therefore, because Sullivan's concession definitively settled the priority issue, the Board's termination of the interference was not arbitrary, capricious, an abuse of discretion, unsupported by substantial evidence, or otherwise not in accordance with law.

Finally, Sullivan complains of two alleged procedural violations. Specifically, he argues that 37 C.F.R. § 1.610(d), which permits conferences between the administrative patent judge and the parties in an interference and allows the judge to enter appropriate orders after such conferences, is in conflict with 37 C.F.R. § 1.2, which states that "[a]ll business with the Patent and Trademark Office should be conducted in writing." However, Congress has expressly delegated to the Patent and Trademark Office authority to "establish regulations, not inconsistent with law, which . . . shall govern the conduct of proceedings in the Office." 35 U.S.C. § 2(b)(2) (2000). Section 1.610(d) was the product of notice-and-comment rulemaking, see Patent Appeal and Interference Practice, 60 Fed. Reg. 14488 (Mar. 17, 1995), and we must accordingly give it "controlling weight unless [it is] arbitrary, capricious, or manifestly contrary to the statute." Chevron U.S.A., Inc. v. Natural Res. Def. Council, Inc., 467 U.S. 837, 844 (1984). We perceive no violation of due process in the procedures contemplated by Section 1.610(d) and find that it is not arbitrary, capricious, or manifestly contrary to the statute. Accordingly, we have no hesitation in deferring to the Office's expertise in conducting its own proceedings in this case.

Sullivan also argues that the Board was without authority to enter a "Standing Order" governing procedure to be followed during the interference. The relevant

regulation, 37 C.F.R. § 1.610, grants the administrative patent judge assigned to an interference discretion to “enter all interlocutory orders in the interference,” and provides that “times for taking action by a party in the interference will be set on a case-by-case basis by the administrative patent judge assigned to the interference.” 37 C.F.R. §§ 1.610 (a), (c) (2002). We must give “controlling weight” to the Patent and Trademark Office’s interpretation of this regulation unless that interpretation is “plainly erroneous or inconsistent with the regulation.” Bowles v. Seminole Rock & Sand Co., 325 U.S. 410, 414 (1945). The Standing Order sets forth guidelines relating to, inter alia, the form of papers to be filed, how conferences are to be conducted, the cross-examination of witnesses, and like matters. The Order specifically provides that “[w]hen appropriate, the terms of this STANDING ORDER may be modified by an administrative patent judge.” We see no reason why administrative patent judges should have to re-invent the wheel in such procedural matters in each new interference case, particularly where the Standing Order allows them to depart from its terms when appropriate. The Board’s interpretation of 37 C.F.R. § 1.610 as permitting the entry of the Standing Order in interference cases is not “plainly erroneous or inconsistent with the regulation,” id., and we accordingly defer to that interpretation.

CONCLUSION

The Board’s redeclaration of the interference in this case, and its decision to terminate the interference after Sullivan’s concession on priority, were not arbitrary, capricious, an abuse of discretion, unsupported by substantial evidence, or otherwise not in accordance with law. Sullivan has failed to demonstrate any other ground for reversing the Board’s decision. Accordingly, that decision is affirmed.

[1] In holding that the redeclaration of interference was proper, we do not resolve the question of whether in any further proceedings any of the Bingel claims should be rejected in light of section 1.35(b).