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# PTAB HIGHLIGHTS

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## Unsupported Rule 1.132-Type Declaration by Interested Inventor Will Not Work for Patent Owner in an AIA Trial

By [Robert H. Resis](#)

June 15, 2017 — Many times, the closest prior art to a patent is the patentee’s own prior art. When the claimed subject matter of a patent was invented by an inventor, let’s call that inventor “S,” and the prior art is a patent or published application that names S and another as inventors, the prior art may be cited during patent prosecution and/or later in an America Invents Act (AIA) proceeding. For purposes of this article, this prior art may be referred to as a “joint patent or joint published application.” When that prior art is a reference under pre-AIA 35 U.S.C. 102(a), (e), or (f) and is cited in a rejection during patent prosecution, one way the applicant can overcome the rejection is to remove the prior art as a valid reference by filing a declaration by S under 37 CFR 1.132 regarding “inventorship.” As discussed below, while an unsupported 1.132 declaration will readily be accepted by an examiner in patent prosecution, the Patent Trial and Appeal Board (PTAB) in an AIA trial will **not** be persuaded by unsupported assertions of inventorship by an interested inventor to avoid invalidity based on a prior joint patent or joint published application under pre-AIA 35 U.S.C. 102(a), (e) or (f).

The Manual of Patent Examining Procedure 715.01(a), captioned “Reference is a Joint Patent or Published Application to Applicant and Another,” provides in part for two situations. It first addresses both, one situation of a reference not claiming the subject matter relied on for the rejection, and another situation of it being claimed:

An unequivocal declaration under 37 CFR 1.132 by S that he/she conceived or invented the subject matter that was disclosed but not claimed in the patent or

application publication and relied on in the rejection would be sufficient to overcome the rejection. *In re DeBaun*, 687 F.2d 459, 214 USPQ 933 (CCPA 1982).

The second situation is also addressed further:

Where the reference is a U.S. patent or application publication that includes a claim reciting the subject matter relied upon in a rejection and that subject matter anticipates or would render obvious the subject matter of a claim in the application under examination, a declaration under 37 CFR 1.132 must also explain the presence of the additional inventor in the reference (e.g., the disclosure in claim 1 of the reference is relied upon to reject the claims; the affidavit or declaration explains that S is the sole inventor of claim 1, and the additional inventor and S are joint inventors of claim 2 of the reference).

Disclaimer by the other patentee or applicant of the patent application publication should not be required but, if submitted, may be accepted by the examiner.

There have been only a limited number of PTAB final written decisions in AIA trials wherein a patent owner presented a 1.132-like declaration to try to remove a joint patent or joint published application as a valid reference under pre-AIA 35 U.S.C. 102(a), (e) or (f). In each case, the patent owner failed.

*Volkswagen Group of America, Inc. v. Emerachem Holdings, LLC*, IPR2014-01558

In this *inter partes* review (IPR), the involved '758 patent named Guth and Campbell as inventors, and a 102(e) prior art Campbell patent named Campbell, Danziger, Guth, and Padron as inventors. See IPR2014-01558, final written decision entered January 22, 2016. The Campbell patent was incorporated by reference in its entirety in the specification of the '758 patent.

According to the patent owner, Campbell was not prior art because any relevant discussion in Campbell was said to be a description of an invention made by the inventors named in the involved '758 patent, i.e., Campbell and Guth. Guth was deceased. According to direct declaration testimony of Campbell: "Guth and I are the sole inventors of all inventions claimed in the involved '758 patent." In the AIA trial, Campbell testified that he and Guth solely conceived of and invented all of the subject matter in the Campbell patent that was relied upon by the petitioner in the IPR.

The PTAB noted that the patent owner, however, did not call Danziger or Padron as witnesses, and did not offer any contemporaneous documentary evidence in support of the Campbell testimony. The PTAB noted that the petitioner did not cross-examine Campbell, but stated that it

drew no adverse inference from the petitioner's decision not to cross-examine. The PTAB held that if a party believes that an opponent has not made out a case with its testimony, the party is under no obligation to cross-examine, citing *Cabilly v. Boss*, 55 USPQ2d 1238, 1249 (BPAI 1998).

The PTAB declined to credit the Campbell testimony, and found that the patent owner failed to carry its burden of production. The PTAB therefore held that the Campbell patent was prior art under 35 U.S.C. § 102(e). The PTAB stated that principles applicable to the antedating issue before it include those discussed in *In re DeBaun*, 687 F.2d 459 (CCPA 1982), which involved an antedating effort in the context of *ex parte* patent examination where there was no adverse party.

In *DeBaun*, the Court of Customs and Patent Appeals (CCPA), predecessor of the Court of Appeals for the Federal Circuit, reversed the Board of Patent Appeals and Interferences (BPAI), predecessor of the PTAB, that had upheld the examiner's obviousness rejection of DeBaun's patent claims based on subject matter in a patent that named DeBaun as a co-inventor. During prosecution, DeBaun submitted an unequivocal declaration that he alone conceived of the subject matter. DeBaun's declaration included paragraph (c), which read "Insofar as the invention of my pending application ... is suggested by ... anything contained in [the cited patent naming DeBaun and another], it was originally conceived by me and described to patent counsel prior to [the date of the application that issued as the cited patent]." The CCPA held that the BPAI erred in upholding the rejection in view of DeBaun's showing that the subject matter disclosed in the cited patent was his own invention.

The PTAB found facts in *DeBaun* to be similar to those in the IPR — in *DeBaun*, the cited patent reference named two inventors (DeBaun and another), whereas the reissue application on appeal named one inventor (DeBaun). In the IPR, the relied upon Campbell patent named four inventors, whereas the involved '758 patent named two inventors — inventors common to the inventors named in the Campbell patent.

Despite these similarities, the PTAB found that the IPR case differed from *DeBaun* in at least two significant ways. First, the Campbell testimony did not contain a paragraph corresponding to DeBaun's paragraph (c) (*DeBaun*, 687 F.2d at 461–462). Hence, the unequivocal statement to which the *DeBaun* court may have been referring was not present in the IPR. Second, while DeBaun's "story" was corroborated with contemporaneous documentation—DeBaun's declaration referenced a contemporaneous drawing that was attached to his declaration—Campbell's "story" was not supported by any contemporaneous documentation. According to the petitioner, the Campbell declaration was "insufficient because there is no accompanying evidence explaining the inventorship assertions in that declaration." The PTAB agreed with the

petitioner, noting that here is “2015 *uncorroborated* testimony by an *interested* witness about events occurring prior to 1995—a period of at least *twenty years*.”

The PTAB also noted that the Campbell testimony set out specific subject matter said to be the invention of Campbell and Guth. However, no explanation appeared in the patent owner’s response, or in the Campbell testimony, addressing all of the subject matter of the Campbell patent upon which the petitioner relied. The PTAB declined to credit the Campbell testimony, principally because there was “*no contemporaneous documentary evidence confirming events taking place a long time ago* reported to us via a witness having an *interest* in the case.”

Similar PTAB findings and holdings to those in *VW v. Emerachem*

The PTAB reached similar findings and made similar holdings in *Nelson Products, Inc. v. Bal Seal Engineering, Inc.*, IPR2014-00572 (final written decision entered September 24, 2015), and *Maxlinear, Inc. v. Cresta Technology Corp.*, IPR2015-00594 (final written decision entered August 15, 2016). In the *Nelson* and *Maxlinear* IPRs, the PTAB cited *DeBaun*, and held that the reference was “by another” and thus prior art under 35 U.S.C. 102(e).

*Nelson Products, Inc. v. Bal Seal Engineering, Inc.*, IPR2014-00572

In *Nelson*, the petitioner asserted that claims of the ‘662 patent, which named Balsells as the sole inventor, were unpatentable under 102(e) by Poon, a U.S. published application, that named Poon and Balsells as joint inventors. The PTAB stated that an applicant may overcome a 102(e) reference by showing that the relevant disclosure in the reference is a description of the applicant’s own work. Citing *DeBaun*, the PTAB emphasized that what is significant is not merely the differences in the listed inventors, but whether the portions of the reference relied on as prior art represent the work of a common inventive entity. The issue, according to the PTAB, is whether all of the evidence, including the references, truly shows knowledge by another prior to the time the inventor(s) made the invention or whether it shows the contrary. The PTAB stated that while the petitioner always bears the ultimate burden of persuasion, the patent owner bears the burden of production on the issue of whether Poon is “by another.”

The patent owner failed to persuade the PTAB that the subject matter of Poon relied on by the petitioner was not “by another.” The PTAB found that Poon and Balsells were joint inventors under the standards highlighted by the court in *Kimberly-Clark Corp. v. Procter & Gamble Distrib. Co.*, 973 F.2d 911, 917 (Fed. Cir. 1992)). According to the PTAB:

They exhibited elements of joint behavior: they worked at the same company, under common direction, at the same physical location. [They] exchanged notes and drafts leading to the final invention described in the Poon reference. [They] worked on the same subject matter and made contributions to the inventive

thought and to the final result. *Monsanto Co. v. Kamp*, 269 F. Supp. 818, 824 (D.D.C. 1967). The collaborative nature of the invention is apparent in the evidence presented by Petitioner, in which Mr. Poon and Mr. Balsells could not avoid acknowledging the elements of their common contributions to the invention claimed in the Poon reference.

*Maxlinear, Inc. v. Cresta Technology Corp.*, IPR2015-00594

In *Maxlinear*, the PTAB noted that the patent owner admitted in a proceeding before the International Trade Commission (ITC) that Favrat was prior art under 102(e) and then argued in the IPR proceeding that it was not. The PTAB also noted that the testimony and other evidence in the ITC case corroborated that Favrat was prior art under 102(e), meaning that it was “by another.” Considering the entire admissible record in the IPR, including the evidence in the ITC case, the PTAB determined that the preponderance of the evidence demonstrated that Favrat was “by another” as required by 102(e).

Conclusion

According to Docket Navigator (a search tool for PTAB and other patent cases), as of April 20, 2017, there do not appear to be any other PTAB final written decisions that cite *DeBaun*. As shown above, patent owners have had a difficult time persuading the PTAB that a joint patent or joint published application is not a valid reference under pre-AIA 35 U.S.C. 102(a), (e) or (f).

The takeaway for patent owners is that, in AIA trials, they cannot simply rely on an unsupported declaration of inventors named on the patent like they can in patent prosecution with a 1.132 declaration. Rather, in AIA trials, patent owners must carry their burden of production with corroborating evidence that demonstrates that the joint patent or joint published application is not a valid reference under pre-AIA 35 U.S.C. 102(a), (e) or (f).

The takeaway for *petitioners* is that a joint patent or joint published application can be strong prior art under pre-AIA 35 U.S.C. 102(a), (e) or (f), which the patent owner will have a tough time removing as a valid reference. Indeed, a petitioner may be able to attack a patent in an AIA proceeding by relying on a joint patent or joint published application that was previously deemed to not be a valid reference under pre-AIA 35 U.S.C. 102(a), (e) or (f) in view of an unsupported Rule 1.132 declaration filed during prosecution of the patent.

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*The Leahy-Smith America Invents Act established new patent post-issuance proceedings, including the inter partes review, post grant review and transitional program for covered business method patents, that offer a less costly, streamlined alternative to district court litigation. With the U.S. Patent and Trademark Office’s Patent Trial and Appeal Board conducting a large and increasing number of these proceedings, and with the law developing rapidly, Banner & Witcoff will offer frequent summaries of the board’s significant decisions and subsequent appeals at the U.S. Court of Appeals for the Federal Circuit.*



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