

combination with prior art) the subject matter of B's claim, and vice versa. This standard has recently come to be known as the "two-way" test because it concisely summarizes the analysis. If this test is not effectively satisfied there is no interference-in-fact, i.e., no priority question to be resolved, although there may be other applicable rejections.

Proposed § 41.203(b) would specifically delegate this discretion to an administrative patent judge. Proposed § 41.203(c) would similarly authorize an administrative patent judge to redeclare the interference *sua sponte* or in response to a decision on motions. An administrative patent judge could redeclare an interference *sua sponte*, for instance, when another interfering patent or application came to light. An interference is often redeclared after a motion is decided, particularly when there are changes in the scope of the count, in the order of the parties, or in the claims that would be affected by the judgment as the result of the decision.

Proposed § 41.203(d) would depart from current practice regarding adding files or declaring additional interferences. Rules 633(d), (e), and (h) treat the addition of a party's application or patent, or the declaration of an additional interference involving the parties, as substantive motions, while Rule 642 treats the addition of other patents or applications to the interference as an action more akin to the original declaration. The proposed rule would eliminate this difference in treatment and permit a suggestion, like an applicant's request for an interference, to have an administrative patent judge exercise discretion to declare a new interference or to redeclare the existing interference to accommodate such files. The net effect of these changes would be to unify the treatment and legal effect of declaring and redeclaring interferences.

Proposed § 41.204 would define notices of requested relief in interferences. Proposed § 41.204(a) would greatly simplify the formal requirements for the principal notice on priority, the preliminary statement (which is renamed a "priority statement"). It would not specify the information that needs to be filed with a priority statement. Instead, the rule would require each party to state with particularity the facts on which it intends to rely. The requirement for filing documentary support would reflect the current practice under Rule 623(c) of filing first drawings and written descriptions. The requirement would be limited to documents under the control of a party because those

documents are more susceptible to alteration in light of subsequent developments in the interference. Derivation would not be treated separately in the proposed rule since it is a type of attack on priority.

Proposed § 41.204(b) would codify the existing practice of requiring a list of motions, but under the proposed rule a party would ordinarily be limited to filing substantive motions consistent with its notice of requested relief. No default times would be set for statements in proposed § 41.204(c) because the time for filing such statements would be contingent on too many other variables to make default times useful. Generally, such statements would be required early in the interference because there would be very little discovery permitted so most motions will be based on information under the party's control. Subsequent developments in the proceeding, such as a change in the count, might justify corrections to a statement.

Proposed § 41.205 would restate practice under Rule 666 regarding the filing of settlement agreements and would implement the requirements of 35 U.S.C. 135(c).

Proposed § 41.206 would revise practice under Rule 602(a) to use the "commonly owned" test discussed in *Barton*, 162 F.3d at 1144, 49 USPQ2d at 1132. Common ownership in a contested case is a concern because it can lead to manipulation of the process. The proposed rule would be stated permissively because not all cases of overlapping ownership would be cause for concern. The cases of principal concern involve a real party-in-interest with the ability to control the conduct of more than one party.

Proposed § 41.207(a)(1) would adopt the presumption regarding order of invention from Rule 657(a). The presumption is based on the date of the earliest constructive reduction to practice and permits a different senior party for each count. Proposed § 41.207(a)(2) would adopt the evidentiary standards for proving priority stated in Rule 657(b) and (c), but would restate the standard of Rule 657(c) in terms of the date of the earliest constructive reduction to practice. The proposed rule would also add publication under 35 U.S.C. 122(b) as a reason for requiring proof of priority under a clear and convincing evidence standard.

Proposed § 41.207(b) would clarify claim correspondence practice and explicitly state the effect of claim correspondence. Proposed § 41.207(b)(1) would reflect the practice under *In re Van Geuns*, 988 F.2d 1181, 1184, 26

USPQ2d 1057, 1059 (Fed. Cir. 1993), for grounds of unpatentability other than priority, under which patentability must be determined for claims, not counts. The Board could rely, however, on claim grouping that is explicit in the arguments of the parties, see *e.g.*, *In re Roemer*, 258 F.3d 1303, 1307, 59 USPQ2d 1527, 1529 (Fed. Cir. 2001) (noting party concession to have claims stand or fall according to correspondence), or implicit from a logical relationship of the claims (*e.g.*, lack of written support for a limitation in a claim might also affect its dependent claims).

Under proposed § 41.207(b)(2), a claim would correspond to the count if the subject matter of the claim would have been anticipated by or obvious (alone or in combination with prior art) in view of the subject matter of the count. The Director proposes to use a one-way test for claim correspondence because correspondence is a provisional rejection based on 35 U.S.C. 102(g). The count defines the scope of admissible proofs for proving priority and thus, in theory, defines a single inventive concept based on the claims of the parties. An adverse determination of priority for the invention of the count would be the basis for the rejection under section 102(g) or section 103.

The claims that correspond to the count are the "claims involved" in the interference as that phrase is used in 35 U.S.C. 135(a). Claim correspondence identifies the parties' claims that are at risk in the event of an adverse judgment on priority such that they will be finally refused (involved application claims) or cancelled (involved patent claims) by virtue of the judgment as required under section 135(a). If a party loses on priority with respect to the subject matter of a count, the party would not be entitled to a claim that is anticipated by (section 102(g)) or obvious in view of (section 103) the subject matter of the lost count. Since correspondence is effectively a provisional rejection under section 102(g), only a one-way test is required to determine which claims would be at risk (*e.g.*, *In re Saunders*, 219 F.2d 455, 104 USPQ 394 (CCPA 1955) (generic claim unpatentable in view of lost count to species)).

The current rules use both count-based and claim-based correspondence. Compare Rules 603, 606, and 637(c)(2)(ii) (count based) with Rules 637(c)(3)(ii) and (c)(4)(ii) (claim based). The principal virtue of claim-based correspondence is that it clearly reflects the implicit rejection of the corresponding claim based on 35 U.S.C. 102(g). A rejection based on § 102(g) must look to the invention of another.