

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SPORTS NUTRITION RESEARCH, LTD.,
Application 13/907,090,
Petitioner,

v.

CHEMI NUTRA,
Application 13/373,649,
Respondent.

Case DER2013-00001

Before JAMESON LEE, SALLY C. MEDLEY, and JAMES T. MOORE,
Administrative Patent Judges.

LEE, *Administrative Patent Judge.*

ORDER
Denying Request for Rehearing
37 C.F.R. § 42.71

I. Introduction

In a Decision dated October 11, 2019, the Board denied the Petition to institute a derivation proceeding. Paper 20. On November 11, 2019, Petitioner filed a Request for Rehearing (“Req. Reh’g”). Paper 21. No request was made by Respondent to file an opposition to the Request.

On request for rehearing, the burden of showing a decision on whether to institute trial should be modified lies with the party challenging the decision. 37 C.F.R. § 42.71(d). When rehearing a decision on petition, a panel will review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). The request for rehearing must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply. 37 C.F.R. § 42.71(d). After considering the Request for Rehearing, we determine that Petitioner has not demonstrated that we abused our discretion in denying institution. For reasons discussed below, we decline to modify the Decision. Accordingly, the Request for Rehearing is denied.

II. Discussion

Petitioner presents a number of arguments. Some of the arguments include multiple parts. We address them in turn.

1.

Petitioner asserts: “First, the Decision improperly relied far too heavily on the former version of 35 USC § 135 which governed interference law and was replaced in its entirety under the America Invents Act. The former version of the statute and case law thereunder are not controlling over derivation proceedings.” Req. Reh’g 1, 3. Petitioner, however, does not identify any provision from a

previous version of 35 U.S.C. § 135 that the Decision allegedly relied on, which is not present in the current version of 35 U.S.C. § 135. With regard to case authority, Petitioner has not explained what changed in the recent amendments to 35 U.S.C. § 135 to render inapplicable the case authority we applied in the Decision regarding conception of invention and a need for independent corroboration. Thus, Petitioner's argument shows no basis for modification of the Decision.

2.1.

Petitioner argues that “[e]ven if persuasive, the cited interference case law was improperly applied for two primary reasons.” Req. Reh’g. 1, 4. First, Petitioner asserts that all the cited cases “addressed the ultimate decisions of the interferences in question, not whether to institute a proceeding in the first place.” *Id.* According to Petitioner, application of such law “had the effect of improperly imposing a higher standard on the decision to institute.” *Id.* at 1. We are unpersuaded. The law does not change based on the applicable standard of proof. Indeed, in the Decision we expressly acknowledged the difference between the ultimate burden on Petitioner if a derivation proceeding is instituted and that burden Petitioner has to meet to have a derivation proceeding instituted:

The threshold showing for institution of a derivation proceeding is whether the petition demonstrates substantial evidence, which if unrebutted, would support the assertion of derivation.^[1] 35 U.S.C. § 135(a); 37 C.F.R. § 42.405(c). Once a derivation proceeding has been instituted, the standard of proof for establishing that a challenged claim

¹ “Substantial evidence is defined as that which a reasonable person might accept as adequate to support a conclusion. *Falkner v. Inglis*, 448 F.3d 1357, 1363 (Fed. Cir. 2006); *see also In re Zurko*, 258 F.3d 1379, 1384 (Fed. Cir. 2001).” Decision 3 n.2.

constitutes a derived invention is by a preponderance of the evidence.
37 C.F.R. § 42.1(d).

Decision 3. Thus, we are unpersuaded that pre-existing case authority applicable to the law on derivation, as applied in the Decision, is inapplicable to a decision on whether to institute a derivation proceeding. Indeed, the Board has held that “[o]n the substantive law of derivation of invention, we apply the jurisprudence which developed in that context, including the case law of the U.S. Court of Appeals for the Federal Circuit and the U.S. Court of Customs and Patent Appeals.” *Catapult Innovations Pty Ltd v. adidas AG*, DER2014-00002, Paper 19 at 3 (PTAB July 18, 2014) (decision denying institution).

Petitioner argues that “[a]n *inter partes* proceeding such as a derivation proceeding is akin to a litigation, where the petition to institute a proceeding is akin to a complaint. One need not prove their case by clear and convincing evidence at the complaint stage.” Reh’g. Req. 4. The argument is only half correct. It is true that Petitioner need not establish anything by clear and convincing evidence, not even by a preponderance of the evidence, at the institution stage. We expressly acknowledged that in the Decision. Decision 3. But a Petition is not akin to a complaint in civil litigation. Under 37 C.F.R. § 42.22(a)(2), a petition must include a detailed explanation of the significance of the evidence supporting the petition. *See also Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016) (“Unlike district court litigation—where parties have greater freedom to revise and develop their arguments over time and in response to newly discovered material—the expedited nature of IPRs bring with it an obligation for petitioners to make their case in their petition to institute.”).

Thus, in the Decision, we appropriately determined whether to institute a derivation based on the evidence Petitioner submitted in support of the Petition.

Petitioner argues that “[i]t is not the Board’s role at this stage of the proceeding to discount and dismiss evidence it chose not to consider.” Req. Reh’g 4. But Petitioner does not identify any specific evidence, submitted at the time of filing of the Petition and referred to in the Petition, that we supposedly chose not to consider.

Petitioner argues:

The Board is required to evaluate all pertinent evidence under the rule of reason (discussed below), so it would only make sense to enable **all** pertinent evidence to be admitted into the proceeding in the first place. Such evidence would include documents obtained from respondent during discovery, including any notes Respondent’s personnel took in connection with communications with Petitioner’s Mr. Cahill, as well as any hypothetical evidence that Respondent perhaps conceived of the use of phosphatidic acid for muscle growth independently of and/or prior to communication of same by Mr. Cahill to Mr. Hagerman.

Id. at 5. Petitioner further states: “To cut this proceeding off at the knees prior to the exploration of relevant evidence runs counter to the Federal Circuit’s express requirements regarding both the consideration of the totality of evidence in derivation and other proceedings and the interest of justice.” *Id.*

In essence, Petitioner is arguing that a derivation proceeding should always be instituted no matter how deficient is the initial evidence presented by Petitioner in the Petition, because both Petitioner and Respondent can submit evidence after institution of trial. We disagree. In the above-quoted argument, Petitioner is referring to hypothetical evidence “to be” developed during trial. We cannot make a decision on whether to institute trial based on non-existent evidence. We properly reviewed the evidence submitted by Petitioner and determined that that evidence does not meet the substantial evidence standard for instituting a derivation proceeding.

2.2

Petitioner argues:

Second, the Board failed to heed its own cited case law by failing to consider the totality of evidence presented by Petitioner by dismissing Matthew Cahill's compound notebook out of hand. (Paper 20 at 14–15.) In doing so, the Board added an arbitrary requirement that the compound notebook was deficient for lack of signatures. This is directly at odds with both the Board's cited case law as well as the US Government's own requirements concerning laboratory notebooks.

Id. at 5–6. The argument is both misplaced and unpersuasive, for reasons discussed below.

We did not require laboratory notebooks to be signed in order to have sufficient corroboration. The laboratory notebook pages can be corroborated by witness testimony even if the pages themselves are unsigned. Here, Petitioner presented no such corroborating testimony from a non-inventor. The two cases cited by Petitioner do not eliminate the need for notebook entries or records of conception to be independently corroborated. In *Singh v. Brake*, 222 F.3d 1362, 1369 (Fed. Cir. 2000), the notebook entries, although unsigned, were seen by witnesses, and in *Mikus v. Wachtel*, 542 F.2d 1157, 1161 (CCPA 1976), there were other witnesses who testified that they “read and understood” the material in a record of invention. In light of the totality of the circumstance, it remains true that the alleged conception is without sufficient corroboration.

Petitioner asserts that the law does not require “that every point of a reduction to practice be corroborated by evidence having a source totally independent of the inventor.” Req. Reh’g 7. But the issue here is conception of invention and not actual reduction to practice. It is well established that proof of conception of invention must encompass all limitations of the disclosed invention. *See Singh*, 222 F.3d at 1367; *Kridl v. McCormick*, 105 F.3d 1446, 1449 (Fed. Cir.

1997); *Sewall v. Walter*, 21 F.3d 411, 415 (Fed. Cir. 1994); *Coleman v. Dines*, 754 F.2d 353, 359 (Fed. Cir. 1985); *Davis v. Reddy*, 620 F.2d 885, 889 (CCPA 1980).

Petitioner additionally argues that “the US government itself does not require signatures and witnessing of lab notebooks. As an example, the National Institute of Health’s laboratory notebook guidelines (SNR Ex. 1025), which give a number of instructions to would-be researchers, do not recommend let alone require signing a laboratory notebook entry.” Req. Reh’g 7–8. The contention is misplaced and irrelevant. We also do not require laboratory notebook pages to be signed by anyone. An inventor is free to provide corroboration of conception by other means.

Petitioner further argues that “[t]he Board also erred in ignoring the compound notebook simply because it was redacted.” *Id.* at 8. The argument is unpersuasive, because we reached our conclusion not “simply” because the notebook pages were redacted. Rather, the redaction adds to the uncertainty surrounding the notebook pages and becomes a part of the totality of the evidence submitted. In any event, our conclusion does not change, even assuming that the notebook pages are without redaction.

3.

Petitioner argues that in determining whether Petitioner satisfied the requirement of 37 C.F.R. § 42.405(a)(2)(i), i.e., whether Petitioner has at least one claim that is the same or substantially the same as any claim of Respondent, we applied the wrong standard of “same or substantially the same.” Req. Reh’g 9–11. The argument is unpersuasive. As Petitioner asserts (Req. Reh’g 9), the issue is whether any Respondent claim is anticipated by or rendered obvious by a

Petitioner claim. We did not, however, apply a different test in the Decision. The reasoning provided in the Decision is that the Petition failed to address this limitation in each of Respondent's independent claims 56 and 57: "wherein the muscle strength of the subject increases by at least 10% after six weeks of resistance training, compared to the muscle strength of a similarly trained subject that does not ingest the effective dose of phosphatidic acid." Decision 16–18. Without having addressed that limitation in each claim,² Petitioner could not have met the requirement of 37 C.F.R. § 42.405(a)(2)(i).

4.

Regarding the wherein clause in claims 56 and 57, i.e., "wherein the muscle strength of the subject increases by at least 10% after six weeks of resistance training, compared to the muscle strength of a similarly trained subject that does not ingest the effective dose of phosphatidic acid," Petitioner takes issue with this statement in the Decision: "Petitioner offers no justification for that assertion [that the wherein clause is merely an intended result and thus should not be accorded patentable weight], other than to note that the Examiner, during prosecution of the '649 Application, took that approach." Decision 16 (cited at Req. Reh'g 12–13). Petitioner states that it cited two Federal Circuit authorities as well as the pertinent section of the Manual of Patent Examining Procedure "MPEP"), i.e., § 2111.04(I). Req. Reh'g 13.

Petitioner did cite to *Hoffer v. Microsoft Corp.*, 405 F.3d 1326, 1329 (Fed. Cir. 2005), which quotes from *Minton v. Nat'l Ass'n of Securities Dealers, Inc.*, 336 F.3d 1373, 1381 (Fed. Cir. 2003), and Petitioner also did cite to § 2111.04(I)

² A dependent claim incorporates all the limitations of the claim from which it depends. 35 U.S.C. § 112(d).

of the MPEP. Paper 17, 4. These authorities, however, articulate general principles and do not support Petitioner's assertion that the specific wherein clause at issue here represents merely an intended result and thus should not be accorded weight in determining patentability. Indeed, in *Hoffer*, the Court upheld the district court's reading of the "whereby clause" at issue there as an actual limitation and not merely an intended result.³ *Hoffer*, 405 F.3d at 1330. "[W]hen the 'whereby' clause states a condition that is material to patentability, it cannot be ignored in order to change the substance of the invention." *Id.* at 1329.

In the Request for Rehearing, Petitioner asserts: "Moreover, the plain language of the wherein clause recites a desired result on its face. It recites that, *if you perform the above actual steps, you should get 10% better results after six weeks than if you did not perform the above steps.*" Req. Reh'g 13 (emphasis added). There simply is no such recitation in any claim.

Petitioner also takes issue with this statement in the Decision: "Indeed, [the wherein clause] gives full meaning to the term 'therapeutically effective' in claims 56 and 57. Claims 56 and 57 do not specify how frequently the doses are given and over how long a period. The [whereby] clause at issue appears to fill that gap." Decision 17 (cited at Req. Reh'g 13). Petitioner asserts that frequency of dosing is nowhere mentioned in the claims. Req. Reh'g 13. That supports our observation that the wherein clause fills in a gap. Petitioner further argues that "[a]nd the six-week period recited in the wherein clause is not a requirement but merely an indication of a prophetic data point of what happens if one were to perform the actual steps of the claim for six weeks, i.e., a desired result." *Id.* We

³ For this decision, we assume it is Petitioner's position that, in general, rules that apply to a "whereby" clause equally applies to a "wherein" clause.

disagree and adhere to our determination that the wherein clause gives full meaning to the term “therapeutically effective” in claims 56 and 57. Decision 17.

In the Decision, we stated that “[a]lso, Petitioner does not contend that the preamble phrase ‘increasing muscle mass and strength in a subject’ is a statement of intended result and should be ignored. We see no reason to regard the preamble phrase as limiting but the wherein clause at issue here, in the body of the claims, as non-limiting.” Decision 17. In the Rehearing Request, Petitioner states the following: “The preamble is not the desired result and is irrelevant to this issue.” Req. Reh’g 14. We disagree that the preamble is irrelevant. There is inconsistency in treating the wherein clause as merely a desired result and not the preamble.

Petitioner asserts that during prosecution of Respondent’s application, Respondent did not rebut the Examiner’s not treating the wherein clause at issue here as a limitation and thus waived its ability to argue to the contrary. Req. Reh’g 12. The argument is misplaced. Respondent has not made any argument in that regard. Rather, we have to construe the wherein clause, whatever the position taken by the parties.

5.

Citing *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019), Petitioner asserts that the Administrative Patent Judges who rendered the Decision were not properly appointed under the Appointments Clause of the United States Constitution. Req. Reh’g 14–15. On that basis, Petitioner asks to have the Decision vacated and the case sent to a new panel of Administrative Patent Judges. Petitioner additionally asserts that it is of no moment that the Decision was directed to whether to institute a derivation proceeding and not a final written decision. *Id.* at 15 n.1.

The constitutional arguments are without merit. The Federal Circuit has held that there is “no constitutional infirmity in [an] institution decision as the statute clearly bestows such authority on the Director pursuant to 35 U.S.C. § 314.” *Arthrex*, 941 F.3d at 1340. *Arthrex*’s reasoning likewise applies to derivation proceedings under the AIA. *See* 35 U.S.C. § 135(a)(1). The Decision will not be vacated. Nor will a new panel be appointed.

III. Conclusion

For the foregoing reasons, Petitioner has not demonstrated that we abused our discretion in denying institution. The Request for Rehearing is denied.

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