

IN RE NATTA REVISITED

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I. INTRODUCTION

THIS ARTICLE IS CONCERNED with the availability and scope of discovery in interference proceedings in the United States Patent and Trademark Office, following *Frilette v. Kimberlin*¹ which overruled *In Re Natta*.² More particularly, *In Re Natta* and *Frilette* are reviewed in so far as they relate to the interpretation of 35 U.S.C. § 24 of the 1952 Patent Act.

A Patent Interference is an administrative proceeding authorized by 35 U.S.C. § 135 to determine priority of invention; i.e., which of a number of claimants is the first inventor and therefore entitled to a patent. An interference is declared by the U.S. Patent and Trademark Office as soon as it is determined that common patentable subject matter is claimed in a plurality of applications or in an application and a patent.³ The Board of Patent Interferences assumes jurisdiction following the declaration. The status of Senior party is awarded to the party having the earliest filing date on its application, the other parties being awarded a Junior party status in order of their filing dates.

The Junior parties have the burden of proving a date of invention prior to that of the Senior party. Each party is called to file with the Patent and Trademark Office a preliminary statement setting forth the earliest invention date it intends to claim; in addition, a party who files a preliminary statement shall notify all opposing parties of that fact, and serve them with a copy of his preliminary statement.⁴ Each party is granted a period of time to file motions to clarify or reform the interference prior to administrative adjudication. A time schedule is then established by the Board for the parties to present their cases. Presentation times are assigned in inverse order of the parties' filing dates. The Patent and Trademark Office has promulgated very specific rules for the presentation of evidence in support of a party's claim to priority.⁵ Under

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1. *Frilette v. Kimberlin*, 184 U.S.P.Q. 266 (3d Cir. 1974), *cert. denied*, 185 U.S.P.Q. 705 (1975).

2. *In re Natta*, 388 F.2d 215 (3d Cir. 1968).

3. 37 C.F.R. § 1.201(a).

4. 37 C.F.R. § 1.215.

5. 37 C.F.R. § 1.251 through § 1.259 and § 1.271 through § 1.287.

these rules testimony is usually presented by deposition on oral examination, or under certain circumstances by affidavit or stipulation. The evidence so presented is used by the Board of Patent Interferences to determine the earliest inventor.

Any applicant dissatisfied with the decision of the Board of Patent Interferences may appeal either to the U.S. Court of Customs and Patent Appeals⁶ or have remedy by civil action under 35 U.S.C. § 146. If the party elects to proceed under 35 U.S.C. § 146, it is accorded a trial de novo⁷ in the District Courts.

Our present patent system has its roots in our Constitution and more particularly, in Article I § 8.⁸ Within the limits of the constitutional grant, the Congress may implement the stated purpose of the framers by selecting the policy which in its judgment best effectuates the constitutional aim.⁹ The Patent Act of 1836 instructed the Commissioner of Patents to make all such regulations in respect to the taking of evidence to be used in contested cases before him as may be just and reasonable.

The Act of March 2, 1861, gave the United States District Courts the power to issue subpoenas *ad testificandum* to witnesses required to appear and testify in contested Patent Office cases, and to punish for contempt non-privileged witnesses refusing to testify.

The Patent Act of 1870 carried over in substance the above provisions in R.S. 4906. In 1922, R.S. 4906 was amended by the addition of a reference to 28 U.S.C. § 647 to permit the District Court to issue subpoenas *duces tecum* to compel production of documents as well as testimony in patent interferences.¹⁰ In 1937, the adoption of the Federal Rules of Civil Procedure which established a comprehensive pretrial discovery system, resulted in the repeal of 28 U.S.C.

6. 35 U.S.C. § 141.

7. 35 U.S.C. § 146. Generally, additional evidence may be sought and presented on issues raised before the Board of Interference. In addition, an attack of the patent validity on the ground of fraud on the patent office in obtaining the patent, where there is cause to suspect such fraud should allow broad discovery in the District Courts.

8. The Congress shall have power . . . "To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." U.S. CONST. art. I, § 8.

9. *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1 (1966).

10. Subpoena to witnesses; Subpoenas *duces tecum*: The Clerk of any court of the United States, for any district of Territory wherein testimony is to be taken for use in any contested case pending in the Patent Office, shall, upon the application of any party thereto, or of his agent or attorney, issue a subpoena for any witness residing or being within such district or Territory, commanding him to appear and testify before any officer in such district or Territory authorized to take depositions and affidavits at any time and place in the subpoena stated. But no witness shall be required to attend at any place more than forty miles from the place where the subpoena is served upon him; and the provisions of section 647 of Title 28 relating to the issuance of subpoenas *duces tecum* shall apply to contested cases in the Patent Office. R.S. 4906; Feb. 18, 1922, c. 58, § 7, 42 Stat. 391 (35 U.S.C. § 54 of 1922 Act).

§ 647. In its subsequent revision of the Patent Act, Congress combined three sections of the 1922 Act, namely 35 U.S.C. § 54, § 55, and § 56 into what became Section 24 of the 1952 Patent Act and which reads:

35 U.S.C. § 24. Subpoenas, witness: The clerk of any United States court for the district wherein testimony is to be taken for use in any contested case in the Patent Office, shall, upon the application of any party thereto, issue a subpoena for any witness residing or being within such district, commanding him to appear and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpoena. *The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested cases in the Patent Office.*

Every witness subpoenaed and in attendance shall be allowed the fees and traveling expenses allowed to witnesses attending the United States district courts.

A judge of a court whose clerk issued a subpoena may enforce obedience to the process or punish disobedience as in other like cases, on proof that a witness, served with such subpoena, neglected or refused to appear or to testify. No witness shall be deemed guilty of contempt for disobeying such subpoena unless his fees and traveling expenses in going to, and returning from, and one day's attendance at the place of examination, are paid or tendered him at the time of the service of the subpoena; nor for refusing to disclose any secret matter except upon appropriate order of the court which issued the subpoena.¹¹

With minor exceptions to be discussed below, it had been the practice in interference proceedings to interpret the aforementioned 35 U.S.C. § 24 as a simple updating without change of the earlier Section 54 of the 1922 Patent Act. This, of course, limited discovery to the production of documents discoverable only under subpoenas *duces tecum*.

II. THE NATTA¹² CASES

The *Natta* cases changed the old practice of limited discovery in Interference Proceedings in the U.S. Patent and Trademark Office by firmly establishing the precedent for full discovery as permitted by any and all of the Federal Rules of Civil Procedure.¹³

The *Natta* cases arose out of interference 89,634 originally de-

11. July 19, 1952, c. 950, § 1, 66 Stat. 795 (emphasis added).

12. *Natta v. Zletz*, 379 F.2d 615 (7th Cir. 1967); *In re Natta*, 388 F.2d 215 (3d Cir. 1968); *Natta v. Hogan*, 392 F.2d 686 (10th Cir. 1968); *Natta v. Zletz*, 405 F.2d 99 (7th Cir. 1968).

13. *Natta v. E.I. DuPont deNemours & Co.*, 389, 393 (3d Cir. 1969).

clared in 1958 involving five parties. Natta was the Senior Party and presumptively the first inventor. After all Junior parties presented their cases, Natta was assigned a period of time in which to complete its testimony. Hoping to obtain proof to rebut the Junior party's testimony, Natta made a motion for production of documents under FED. R. CIV. P. 34. Such motions were made in the 3rd,¹⁴ 7th¹⁵ and 10th¹⁶ Circuits, against three of the Junior parties, the fourth having voluntarily withdrawn from the interference. The motions were eventually granted.

The 3rd Circuit Court of Appeals, which set the pattern for the other circuits, affirmed the lower court decision holding that a party to a patent interference proceeding in the U.S. Patent and Trademark Office may have the benefit of discovery proceedings in a United States District Court under the provisions of FED. R. CIV. P. 34.

With reference to 35 U.S.C. § 24, the Court went further to say: "This statute manifests a clear congressional intent to make available to parties to patent interferences the broad discovery provisions of the Federal Rules of Civil Procedure."¹⁷

In reaching its decision, the majority compared the statutory language of the old 35 U.S.C. § 54, which made specific reference to the applicable Civil Procedure Rule, (R.S. 869), and said that if Congress had intended to limit the scope of discovery, it would have referred to Rule 45(b) rather than refer generally to the provisions of the Federal Rules of Civil Procedure. "Absent a clear indication of contrary Congressional intent, we are compelled to the conclusion that broad discovery is available."¹⁸

The majority drew support from the 1960 *Korman v. Shull*¹⁹ decision, and brushed aside a later (1962) decision by the same court, *Korman v. Nobile*,²⁰ which contained the statement that the broad provisions of the Federal Rules of Civil Procedure relating generally to discovery are *not* made applicable to contested cases in the Patent Office. In *Korman v. Shull*, the Court, *inter alia*, quashed subpoenas issued by the clerk of the district court commanding the production of certain books, papers and documents for lack of good cause in the absence of special circumstances warranting such production, and be-

14. *In re Natta*, 259 F. Supp. 922 (D. Del. 1966); 264 F. Supp. 734 (D. Del. 1967), *aff'd*, *In re Natta*, 388 F.2d 215 (3d Cir. 1968).

15. *Natta v. Zletz*, 379 F.2d 615 (7th Cir. 1967); *Natta v. Zletz*, 405 F.2d 99 (7th Cir. 1968).

16. *Natta v. Hogan*, 392 F.2d 686 (10th Cir. 1968).

17. *In re Natta*, 388 F.2d 215, 217 (3d Cir. 1968).

18. *In re Natta*, 388 F.2d 215, 216 (3d Cir. 1968).

19. *Korman v. Shull*, 184 F. Supp. 927 (W.D. Mich., S.D. 1960).

20. *Korman v. Nobile*, 133 U.S.P.Q. 178 (W.D. Mich., S.D. 1962).

cause of the appearance that some of the material sought was confidential, secret and privileged. It is noteworthy that, eight years after the wording relating to the issuance of subpoenas *duces tecum* had been replaced by Section 24 of the 1952 act, the parties in this controversy had caused a subpoena *duces tecum* to be issued for the production of certain enumerated documents following the practice that was common under the 35 U.S.C. § 54 provision of the 1922 Patent Act.

While the Court quashed the subpoenas, the opinion contained the following statement relating to the Federal Rules of Civil Procedure:

Under Section 24, which I have just quoted, the applicable rules of civil procedure must be considered in determining the questions before the court relative to the attendance of witnesses and the production of documents. Rules 26, 30, 34, and 45, Fed. Rules of Civ. Proc. 28 U.S.C.A. relating to the attendance of witnesses and the production of documents are applicable in the present proceeding.²¹

The majority also relied on language in *Gladrow v. Weisz*²² which agreed with the dictum of *Korman v. Shull* regarding the scope of 35 U.S.C. § 24. Yet the Gladrow court only agreed "arguendo",²³ reserving complete agreement only for the application of FED R. CIV. P. 34 for the production of documents required in the examination and cross examination of witnesses. In *Gladrow*, the documents in question were clearly identified and incident to the cross examination of witness Gladrow. Thus, the same documents could have been reached through a subpoena *duces tecum* under the prior practice. It is noteworthy that in *Gladrow* the court had felt that the order in question did not extend beyond the authorization given it by the earlier sections, i.e. sections 54, 55, and 56 of the 1922 act, as urged by Gladrow, and proceeded to affirm the lower court order, stating:

It would be making a fetish of formalistic procedure to reverse the present judgment but hold that production of the documents could be required under a subpoena *duces tecum*.²⁴

Both the 7th and 10th Circuit Courts of Appeal agreed with the 3rd Circuit that 35 U.S.C. § 24 manifested a clear congressional intent to make available broad discovery provisions.

21. *Korman v. Shull*, 184 F. Supp. 927, 931 (W.D. Mich., S.D. 1960).

22. *Gladrow v. Weisz*, 354 F.2d 464 (5th Cir. 1955).

23. *Id.* at 468.

24. *Id.*

Dissenting in *In Re Natta*, Judge Seitz, now Chief Judge of the 3rd Circuit Court of Appeals, did not agree with the majority's finding that Congress intended to "enlarge the statutory power of the district court to include the right to compel 'discovery' to the full extent permitted by such rules."²⁵ On the contrary, he argued that only as many of the Federal Rules of Civil Procedure as were needed to obtain evidentiary material equivalent to what was obtainable under the repealed section 54 of the 1922 act were applicable.²⁶

In reviewing the meager data available on congressional intent, the dissenting opinion could only find a note by the Revisor stating that: "Reference to a repealed statute in the first paragraph is replaced by reference to the Federal Rules of Civil Procedure and certain rules are made applicable."²⁷ Judge Seitz felt that the sweeping change that would follow the incorporation of the full scope of discovery under the Federal Rules in interference proceedings in the Patent and Trademark Office, would have called for some statement in the Revisor's notes reflecting a Congressional recognition of the change.²⁸

III. THE OVERRULING OF THE NATTA DECISION IN THE 3RD CIRCUIT

On December 16, 1974, the 3rd Circuit Court of Appeals sitting *en banc* with two judges dissenting "bit the bullet," to use Judge Weiss' phraseology, and overruled its own prior holding in *In Re Natta*.²⁹ In *Frilette v. Kimberlin*³⁰ and its companion case *Duffy v. Barnes*,³¹ the court held that 35 U.S.C. § 24 in referring to "provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents" refers to the matters encompassed by FED. R. Civ. P. 45(a), (b), (c), (d)(2), (e) and (f).³²

25. *In re Natta*, 388 F.2d 215, 221 (3d Cir. 1968), dissenting opinion by Judge Seitz.

26. *Id.* at 222.

27. *Id.* Contrast to that, the Revisor's note to section 119 "The Second paragraph is new, making an additional procedural requirement for obtaining the right of priority." or the note to Section 104 "Language has been changed and the last sentence has been *broadened* to refer to persons serving in connection with operations by or on behalf of the United States, instead of solely in connection with the prosecution of the war." (emphasis added).

28. See note 25 *supra*.

29. 388 F.2d 215 (3d Cir. 1968).

30. *Frilette v. Kimberlin*, 184 U.S.P.Q. 266 (3d Cir. 1974), *cert. denied*, 185 U.S.P.Q. 705 (1975).

31. *Duffy v. Barnes*, 184 U.S.P.Q. 266 (3d Cir. 1974), *cert. denied*, 185 U.S.P.Q. 705 (1975).

32. *Frilette v. Kimberlin*, 184 U.S.P.Q. 266, 271 (3d Cir. 1974).

Some of the underlying reasons for the court's second look in its prior decision were that, "following the *Natta* cases, instead of a role of 'cooperatively complementing' the Patent Office, the courts became the means through which the parties ranged far and wide, geographically as well as in terms of relevance, in search of evidence which, although not germane to issues in the Patent Office, might lead to other admissible evidence."³³ This disrupted the administrative proceedings schedule in the Patent and Trademark Office, creating conflicts between the administrative agency and the courts. Also, on June 11, 1971, the Patent and Trademark Office instituted limited discovery rules³⁴ under the authority granted it by 35 U.S.C. § 23. Finally, the removal of the "good cause" from the Federal Rules of Civil Procedure subsequent to the *Natta* decision greatly expanded the discovery scope available under the *Natta* ruling.

The *Frilette* and *Duffy* decisions were appealed to the U.S. Supreme Court but certiorari was denied.³⁵ Thus, the decision of the 3rd Circuit was left standing, establishing a conflict between the 7th and 10th Circuits which still adhere to the broad discovery rule, and the 3rd and 1st Circuits³⁶ which do not.

Aside from questions of *stare decisis* which are present whenever a court decides to overrule a prior decision, the question remains whether there was error in the prior interpretation of 35 U.S.C. § 24. While both the majority and the dissenting opinions in *Frilette* seem to agree that the *In Re Natta* language gave an unjustifiably broad interpretation to Section 24 of the 1952 Patent Act, the question is still open as to what indeed is the congressional intent.

Dissenting in *Frilette*,³⁷ Judge Van Dusen relies on the plain and ordinary meaning of words used in a statute when construing it. Thus, his position is that the sentence, "The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things, shall apply to contested cases in the Patent Office," when compared with the repealed language of 35 U.S.C. 54 prior to July 19, 1952 clearly shows an intended change. In support of this thesis it is further pointed out that the repealed section 54 was specific in its reference to discovery rules: "The provisions of Section 647, of Title 28 relating to the issuance of subpoenas

33. *Id.* at 269.

34. 37 C.F.R. § 1.287.

35. *Frilette v. Kimberlin*, 185 U.S.P.Q. 705 (*cert. denied* 1975) and *Duffy v. Barnes*, 185 U.S.P.Q. 705 (*cert. denied* 1975).

36. In *Sheehan v. Doyle*, 185 U.S.P.Q. 489 (1st Cir. 1975), the First Circuit followed the rationale of *Frilette* rejecting the argument that 35 U.S.C. § 24 makes broad discovery available in interference proceedings.

37. *Frilette v. Kimberlin*, 184 U.S.P.Q. 266, 271 (3d Cir. 1974).

duces tecum shall apply to contested cases in the Patent Office." On the other hand, comparison of the new language with the titles in the Federal Rules of Civil Procedure shows the identity of the language used in rule 43 — Discovery and Production of Documents and Things for Inspection, Copying or Photographing — with the language of 35 U.S.C. § 24; this would appear to make at least rule 34 applicable in interference in addition to rule 45 which the majority holds applicable.³⁸ Note that the expression "documents and things" is absent from the subtitles of Rule 45.³⁹

However, when the intent of Congress is to be elucidated and the history of the statute or amendment does not provide sufficient guidance, guidance may be had by study of the revision as a whole. We can still embrace the theory of the plain meaning of words, but rather than take the controversial sentence out of context, we now read it as part of the full text of 35 U.S.C. § 24 and consider it together with the preceding section 23.⁴⁰

Section 23⁴¹ refers to testimony in Patent and Trademark Office cases and authorizes the Commissioner of Patents and Trademarks to establish rules for taking affidavits and depositions. Pursuant to this authority, the Patent and Trademark Office instituted discovery rules in Interference Proceedings. The Patent Interference Proceeding is clearly an administrative proceeding and as such falls under the Administrative Procedure Act (A.P.A.). The A.P.A. does not contain any provision for pretrial discovery in the administrative process and, of course, the Federal Rules of Civil Procedure on discovery are not applicable in administrative proceedings.⁴² Thus, section 23⁴³ was included to cure this deficiency in the A.P.A. and maintain the continuity with past practices in the Patent and Trademark Office.

Section 24⁴⁴ refers to the issuance of *subpoenas to witnesses*. Note that all three paragraphs refer to witnesses. The plain meaning of words is therefore that the provision of the Federal Rules of Civil Procedure *insofar as applicable to subpoenas to witnesses* are made applicable to contested cases in the Patent and Trademark Office. The subpoena may be for the attendance of a witness or for the production of

38. *Id.* at 271 and 272.

39. FED. R. CIV. P. 45.

40. 35 U.S.C. § 23. Testimony in Patent Office cases: The Commissioner may establish rules for taking affidavits and depositions required in cases in the Patent Office. Any officer authorized by law to take depositions to be used in the courts of the United States, or of the State where he resides, may take such affidavits and depositions. July 19, 1952, c. 950, 1, 66 Stat. 795.

41. *Id.*

42. DAVIS, 1 ADMINISTRATIVE LAW TREATISE § 8.15, at 588.

43. See note 39 *supra*.

44. 35 U.S.C. § 24.

documentary evidence by the witness. There seems no justification for holding that other rules are made applicable, except for those relating to issuance of subpoenas to witnesses *ad testificandum* and subpoenas *duces tecum* as was the prior practice. Thus, if one wanted to point at the specific rules of the Federal Rules of Civil Procedure, by necessity one would conclude that the first paragraph of 35 U.S.C. 24 refers to rules 45 (a) and (b). Rules 45 (c), (d)(2), (e) and (f) also would be included since they encompass basically the subject matter of repealed 35 U.S.C. § 55 and § 56⁴⁵ relating to fees and penalties for refusal to testify, and are incorporated in the second and third paragraphs of section 24.⁴⁶

The question whether rule 45 (d)(1) is included by virtue of 35 U.S.C. § 24 is more troublesome. The rule in effect sets directives as to the scope of a subpoena for taking depositions. But Congress by virtue of 35 U.S.C. § 23 has already given the authority to make rules for taking depositions in the Patent and Trademark Office to the Commissioner. 35 U.S.C. § 23 gives specific authority to the Commissioner to regulate the taking of depositions; rule 45 (d)(1) of the Federal Rules of Civil Procedure, if applicable, is still a general rule for taking depositions. Therefore, it would appear that the latter is pre-empted by the former and thus inapposite.

It has been argued that the intent of Congress must have been to provide broad discovery in interference proceedings in the Patent and Trademark Office, and that the *Natta* cases should not have been surprising since such discovery was always available and *Natta* only served to bring out that which was always there.⁴⁷ It is also argued that the regulations and practices of the Patent and Trademark Office find their origin in the equity proceedings. The parallel development of equity proceedings and Patent and Trademark Office Regulations has been compared, and it is suggested that since broad discovery is available in equity, it is also available in the Patent and Trademark Offices.⁴⁸ However, the origins and similarities of the Patent Office rules with equity do not change the fact that the rules of an administrative agency such as the Patent and Trademark Office may well originate and follow the development of other areas of the law, but they are rules promulgated by the agency itself, and so long as they remain within the authority granted the agency they can, and often do, differ from subsequent developments in other areas of the law.

45. 1922 Act.

46. 35 U.S.C. § 24.

47. Sears, *Discovery in Interferences*, 53 J. PAT. OFF. Soc'y 693 (1971).

48. *Id.* at 695, 696, 698.

IV. CONCLUSIONS

The decisions reached in *Natta* and *Frilette* must be viewed in light of conditions at the time they were made. At the time the *Natta* cases were tried, there was no provision for any kind of discovery within the Patent and Trademark Office procedures. On the other hand, discovery under the Federal Rules of Civil Procedure was still limited by the "good cause" requirement, which was subsequently removed. It is not surprising therefore that the Court would find the absence of discovery alien to our accepted system of justice and try to remedy the situation by making discovery limited by the "good cause" requirement, available in Patent and Trademark Office proceedings.

Since *Natta* the Patent and Trademark Office has promulgated regulations allowing discovery. Such discovery allows a party to discover material under the control of the other parties, if it can show that the "interest of justice so requires . . .".⁴⁹

Also since the *Natta* cases, ancillary litigation incident to interference proceedings has reached such magnitude as to prompt the Commissioner of Patents and Trademark, C. Marshall Dann to say during his address on March 7, 1975 to the Southwestern Legal Foundation in Dallas, Texas: "One place where a little restraint would be welcome is in discovery practice. General lawyers tend to be amazed at the extremely sweeping scope of inquiry which has become customary in patent cases. This is a major factor in the great cost of patent litigation".

The *Frilette* court was, of course, well aware of this problem⁵⁰ in formulating its decision. In 1975 the problem was no longer a lack of discovery procedures, but too much discovery. As the court admitted, the problem was one of judicial creation rather than one of legislation,⁵¹ and as such amenable to judicial correction. The 3rd Circuit therefore made the correction and restricted the interpretation of section 24 to the aforementioned sections of FED. R. CIV. P. 45. It is hoped that the Circuits currently holding otherwise will follow the lead of the 3rd and 1st Circuits and will thus simplify and accelerate somewhat the inherently complex and slow interference proceedings.

49. 37 C.F.R. § 1.287(3c).

50. *Frilette v. Kimberlin*, 184 U.S.P.Q. 266, 268, 269 (3d Cir. 1974).

51. *Id.* at 270.