

**THIS OPINION IS BINDING PRECEDENT OF THE TRIAL SECTION**

Paper No. 165

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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JOSEPH E. LOUIS  
Junior Party  
(Sauer Inc.)  
(Patent No. 5,513,717)

v.

HIDEAKI OKADA and SHUSUKE NEMOTO  
Senior Party  
(Kanzaki Kokyukoki Mfg. Co., Ltd.)  
(Application 08/818,964)

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Patent Interference No. 104,311

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BEFORE McKELVEY, Senior Administrative Patent Judge, and SCHAFER, LEE, TORCZON, SPIEGEL, GARDNER-LANE, MEDLEY, and TIERNEY, Administrative Patent Judges.

LEE, Administrative Patent Judge.

**DECISION ON SAUER'S PRELIMINARY MOTION 2**

This is a decision on Sauer's preliminary motion 2 under 37 CFR § 1.633(c)(1) to change the count. Oral argument was held on March 14, 2001. <sup>(1)</sup> The preliminary motion is granted-in-part. Specifically, the request to substitute proposed count 3 for count 1 is granted provided that certain conditions are met within fourteen (14) days of the date of this decision. The preliminary motion is otherwise denied.

Discussion

A. Sauer's Preliminary Motion 2 under 37 CFR § 1.633(c)(1)

Sauer's preliminary motion seeks to substitute proposed count 2 for existing count 1 or for at least the first alternative of count 1. Contingent on denial of the adoption of proposed count 2, the preliminary motion seeks to substitute proposed count 3 for count 1

or for at least the first alternative of count 1. For reasons discussed below, we **deny** Sauer's preliminary motion 2 insofar as proposed count 2 is concerned, but **conditionally grant** the preliminary motion with respect to proposed count 3.

This interference was declared with the following as sole count 1:

Sauer's patent claim 1 or Kanzaki's application claim 7.

The two alternatives (i.e., Sauer's claim 1 and Kanzaki's claim 7) read the same, as follows (bold added):

An **axle driving apparatus** comprising:

a housing;  
a hydrostatic transmission in said housing;  
said hydrostatic transmission separate from said housing and mounted within said housing;  
axle shafts extending from said housing;  
said housing being defined by at least two separable elements of **said axle assembly**, wherein said two elements are separable at a horizontal parting plane;  
**means on said hydrostatic transmission for fastening the hydrostatic transmission to one of said separable elements within said housing;**  
differential gearing means within said housing;  
said hydrostatic transmission including cylinder blocks having their axes of rotation generally normal to each other.

In its preliminary motion 2, Sauer explains that the reference in the first alternative of existing count 1 to "said axle assembly" has no antecedent basis. Sauer's preliminary motion 2 proposes to change the reference to read "said axle driving apparatus" to make clear that it is the axle driving apparatus that is being referred to. This is one of two changes made by proposed count 2 and the only change made by proposed count 3.

Both parties are in agreement, and we also agree, that "said axle assembly" refers to the axle driving apparatus set forth in the preamble. With that common understanding, there is no need to change the count. Yet, because Kanzaki does not oppose changing the count to Sauer's proposed count 3, we authorize the count to be so changed, provided that the following two conditions are met within fourteen (14) days of the date of this decision:

1. Sauer file with the Trial Section a request for a certificate of correction making a corresponding change in its involved patent claim 1; and
2. Kanzaki file with the Trial Section an amendment making a corresponding change in its application claim 7.

Sauer's proposed count 2 further eliminates the feature of

**-- means on said hydrostatic transmission for fastening the hydrostatic transmission to one of said separable elements within said housing --.**

According to Sauer (Preliminary Motion at 3), this feature is "trivially obvious," "is of no patentable significance," and "is arguably not shown in Louis's [Sauer] earliest proofs." Sauer states on page 3 of the preliminary motion that "the quoted limitation is clearly unnecessary in order to define the broadest common patentable subject matter between the involved Louis patent and the involved Okada application." Kanzaki opposes eliminating the means for fastening the hydrostatic transmission from the count.

Proposed count 2 is broader in scope than each of Sauer and Kanzaki's involved claims. As the moving party proposing the broader substitute count, Sauer has the burden of accounting for and explaining away any potential question of patentability over prior art, if any such question is self-apparent or manifestly evident from the prosecution history of its involved patent or application. An interference cannot proceed with a count over which a lingering question or doubt as to patentability arises from the face of the moving party's prosecution history.

In this case, a looming question of patentability over prior art arises from the prosecution history of the application which matured into Sauer's involved patent. During prosecution of Sauer's parent application 07/706,279, claims 24, 25 and 26 without the means for fastening feature limitation were first rejected by the examiner over prior art (Exhibit 2022, Paper 17). In response to that rejection, Sauer amended (Exhibit 2022, Paper 18) those claims to include the means for fastening the hydrostatic transmission and argued that the prior art applied by the examiner did not disclose the feature. Sauer does not dispute that the argument was one of several that were made to the examiner which led to allowance of amended parent application claims 24, 25 and 26 (Exhibit 2022, Paper 20) all of which include the means for fastening the hydrostatic transmission.

Sauer argued to the examiner (Exhibit 2022, Paper 18, pages 9-10):

Be that as it may [effort to swear behind a Thoma reference], independent claims 24, 25 and 26 have been amended to provide that the hydrostatic transmission is **separate** from the housing, is mounted **within** the housing, and has **means** thereon for **fastening** the same to **one** of the housing members. In contrast, Peterson's device is a stand alone self contained transmission, which typically is bolted to the outside of an axle housing. Applicant's transmission is adapted for mounting within the housing of an IHT, a purpose for which Peterson is not suited. The mass alone of the Peterson block 13 would make it unsuitable for IHT applications.

Lastly, neither Peterson nor Thoma shows the structure of claims 24, 25, and 26 calling for means for mounting the transmission to **one** of the separable housing elements **within** the IHT housing. Peterson's device is not intended for such use, and shows no such mounting structure. Thoma's sandwich plate 28 is trapped between the upper and lower housings, and is **not** fastened to **one** of the housing elements, as required by these claims. (Emphasis in original.)

Sauer's position in its preliminary motion 2 that the means for fastening the hydrostatic transmission is "trivially obvious" and "of no patentable significance" is not consistent with and is directly at odds with Sauer's explicit reliance on that feature during prosecution, albeit among other features, to overcome a rejection based on prior art. On this record, it is manifestly plausible that the examiner would not have allowed Sauer's sole claim had the fastening means limitation not been included. Thus, we have no reason to assume that the proposed count would have been patentable without inclusion of the means for fastening the hydrostatic transmission.

Sauer argues in its reply to Kanzaki's opposition that whatever it had argued to the examiner during prosecution is irrelevant since the Board can itself determine patentability. The argument over-simplifies the matter. While the Board may itself determine patentability, it does not determine patentability in a vacuum. Against the particular backdrop of Sauer's prosecution history, it is incumbent upon Sauer as the moving party to address in its preliminary motion 2 the patentability issue raised and put in play by its proposed elimination of the means for fastening feature from the current count.

Where, as here, a party does an apparent about-face with respect to arguments previously made to the examiner to overcome a rejection, that rejection springs back in significance and must be addressed in the party's motion. In our view, it was unreasonable and also inexcusable for Sauer's preliminary motion 2 not to have discussed the prior art previously successfully applied by the examiner against Sauer's claims before they were amended to recite the means for fastening the hydrostatic transmission feature. We will not undertake a sua sponte review of an examiner's ex parte decision absent briefing and evidence by the parties.

Accordingly, Sauer's preliminary motion 2 does not make out a prima facie basis for adopting its proposed count 2.

We further take this opportunity to discuss and confirm two principles with regard to a preliminary motion to broaden the count. The first is that without a compelling reason we will not adopt a count that is broader than the sum of what each party has claimed. For instance, Sauer's proposed count 2 includes subject matter which is outside the scope of the sum of each party's involved claims, for it covers subject matter which neither party claims, i.e., it covers subject matter not included within the scope of Sauer claim 1 or Kanzaki claim 7. Such breadth raises a serious question with regard to not only patentability but also the very nature of an interference. It is the parties' claimed invention which gives rise to an interference under 35 U.S.C. § 135(a). What is not claimed defines no conflicting subject matter for interference purposes. Thus, it is not apparent why priority of invention can or should be determined, at least without a compelling circumstance, on the basis of evidence directed to subject matter which no party has claimed.<sup>(2)</sup>

We do not totally foreclose the possibility that in a very rare and special situation a count might be adopted which is broader in scope than the sum of what each party has claimed.

But there must be a compelling reason for doing so, beyond that the moving party's best or earliest proofs are outside the scope of the existing count. No such compelling reason is evident here.<sup>(3)</sup>

The second additional principle we confirm through this precedential opinion concerns when and how a party must demonstrate that its best or earliest proofs are outside the scope of the existing count. In this case, during oral argument, Sauer's counsel made known on the record for the first time that Sauer's earliest proofs do not show a means for fastening the hydrostatic transmission. As the moving party, Sauer must demonstrate, in its preliminary motion, a genuine need to change the count, and not simply cause a change for change's sake. In our view, it was far too late for Sauer to inform the Board and party Kanzaki for the first time, during oral argument, that its earliest priority proofs do not contain a fastening means and that is why the count should be changed. Cf. Packard Press Inc. v. Hewlett-Packard Co., 227 F.3d 1352, 1360, 56 USPQ2d 1351, 1356 (Fed. Cir. 2000); LeVeen v. Edwards, 57 USPQ2d 1406, 1414 (Bd. Pat. App. & Int. 2000). While Sauer's preliminary motion 2 does state that the fastening means is arguably not shown in the earliest proofs, the equivocal nature of the term "arguably" and the conclusory nature of the statement, without analysis, lead us to conclude that Sauer's preliminary motion failed to demonstrate a genuine need for the count to be changed or that its preliminary motion gave Kanzaki a fair opportunity to address the need for a change. At a minimum, we confirm that a preliminary motion to broaden out the count on the basis that a party's best or earliest proofs are outside of the current count (1) should make a proffer of the party's best proofs, (2) show that such best proofs indeed lie outside of the scope of the current count, and (3) further show that the proposed new count is not excessively broad with respect to what the party needs for its best proofs.

### **Conclusion**

Sauer's preliminary motion 2 is granted-in-part. Specifically, the original count is authorized to be substituted with Sauer's proposed count 3, provided that conditions specified on page 4 of this opinion are met within fourteen (14) days of the date of this decision. The preliminary motion is otherwise denied, specifically with respect to proposed count 2.

FRED E. McKELVEY, Senior Administrative Patent Judge  
RICHARD E. SCHAFER, Administrative Patent Judge  
JAMESON LEE, Administrative Patent Judge  
RICHARD TORCZON, Administrative Patent Judge  
CAROL A. SPIEGEL, Administrative Patent Judge  
SALLY GARDNER-LANE, Administrative Patent Judge  
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1. Only judges Schafer, Lee, Torczon and Spiegel were present at oral argument on March 14, 2001. The panel was subsequently expanded to include all eight judges of the Interference Trial Section. Cf. In re Bose Corp., 772 F.2d 866, 869-870, 227 USPQ 1, 4 (Fed. Cir. 1985)(The statutory requirement that a trademark case be heard by three members of the Trademark Trial and Appeal Board means judicially heard, not physically heard.).
2. Sauer had the opportunity when filing its preliminary motion to substitute the count to move under 37 CFR § 1.633(c)(5) to have Kanzaki add a claim of corresponding scope to Kanzaki's involved application. No such preliminary motion was filed.
3. During oral argument, Sauer's counsel explained its view that it is "customary" that the count reflects the broadest common patentable subject matter between the parties. Even assuming that as true, it is certainly not customary to have a count which is broader than the sum of each party's claims.