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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/013,394	11/07/2014	RE44,962 E	2428-0155L	8403
2292	7590	09/30/2020	EXAMINER	
BIRCH STEWART KOLASCH & BIRCH, LLP			PONNALURI, PADMASHRI	
8110 Gatehouse Road			ART UNIT	
Suite 100 East			PAPER NUMBER	
Falls Church, VA 22042-1248			3991	
			MAIL DATE	DELIVERY MODE
			09/30/2020	PAPER

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/013,563	08/07/2015	RE44962	2428-0161L	7929
2292	7590	09/30/2020	EXAMINER	
BIRCH STEWART KOLASCH & BIRCH, LLP			PONNALURI, PADMASHRI	
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/013,515	06/01/2015	RE44962	2428-0160L	5115
2292	7590	09/30/2020	EXAMINER	
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8110 Gatehouse Road			ART UNIT	
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BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte BAYER CROPSCIENCE NV and BIOGEN IDEC MA, INC.
Patent Owners and Appellants

Appeal 2020-002922
Reexamination Control 90/013,394, 90/013,515, and 90/013,563
Patent RE44,962 E
Technology Center 3900

Before RICHARD M. LEBOVITZ, RAE LYNN P. GUEST, and
JANE E. INGLESE, *Administrative Patent Judges*.

INGLESE, *Administrative Patent Judge*.

DECISION ON APPEAL

This appeal stems from third-party requests filed November 7, 2014, June 1, 2015, and August 7, 2015 for *ex parte* reexamination of U.S. patent RE44,962 E (“the Leemans ’962 patent”).¹ The Patent Office granted each request for *ex parte* reexamination, and subsequently merged the three *ex parte* reexaminations into a single proceeding under 37 C.F.R. 1.565(c).

Bayer CropScience NV and Biogen Idec MA, Inc. (“Patent Owners”), the owners of the Leemans ’962 patent, appeal² the Examiner’s final rejection of claim 1 in the merged *ex parte* reexamination proceeding.³ We

¹ The first-named inventor of U.S. patent RE44,962 E is Jan Leemans.

² Appeal Brief filed March 8, 2019 (“Appeal Br.”).

³ Final Office Action entered August 8, 2018 (“Final Act.”).

have jurisdiction over the appeal under 35 U.S.C. §§ 134(b) and 306.

We REVERSE.

CLAIMED SUBJECT MATTER

The invention described in the '962 patent relates to a process for protecting plant cells and plants from the herbicidal action of glutamine synthetase inhibitors, and to DNA fragments and recombinants containing nucleotide sequences encoding resistance to glutamine synthetase inhibitors.

Col. 1, ll. 21–31. Claim 1, the sole claim on appeal, reads as follows:

1. An isolated DNA encoding a protein having phosphinothricin acetyltransferase activity, or a variant thereof retaining said activity, said protein comprising the amino acid sequence (SEQ ID No. 1):

X	Ser	Pro	Glu	Arg	Arg	Pro	Ala	Asp
Ile	Arg	Arg	Ala	Thr	Glu	Ala	Asp	MET
Pro	Ala	Val	Cys	Thr	Ile	Val	Asn	His
Tyr	Ile	Glu	Thr	Ser	Thr	Val	Asn	Phe
Arg	Thr	Glu	Pro	Gln	Glu	Pro	Gln	Glu
Trp	Thr	Asp	Asp	Leu	Val	Arg	Leu	Arg
Glu	Arg	Tyr	Pro	Trp	Leu	Val	Ala	Glu
Val	Asp	Gly	Glu	Val	Ala	Gly	Ile	Ala
Tyr	Ala	Gly	Pro	Trp	Lys	Ala	Arg	Asn
Ala	Tyr	Asp	Trp	Thr	Ala	Glu	Ser	Thr
Val	Tyr	Val	Ser	Pro	Arg	His	Gln	Arg
Thr	Gly	Leu	Gly	Ser	Thr	Leu	Tyr	Thr
His	Leu	Leu	Lys	Ser	Leu	Glu	Ala	Gln
Gly	Phe	Lys	Ser	Val	Val	Ala	Val	Ile

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Gly	Leu	Pro	Asn	Asp	Pro	Ser	Val	Arg
Met	His	Glu	Ala	Leu	Gly	Tyr	Ala	Pro
Arg	Gly	Met	Leu	Arg	Ala	Ala	Gly	Phe
Lys	His	Gly	Asn	Trp	His	Asp	Val	Gly
Phe	Trp	Gln	Leu	Asp	Phe	Ser	Leu	Pro
Val	Pro	Pro	Arg	Pro	Val	Leu	Pro	Val
Thr	Glu	Ile						

in which X is Met, said DNA consisting of between 549 and 625 nucleotides wherein X is encoded by ATG.

Appeal Br. Claims Appendix.

THE REJECTIONS

The Examiner maintains the following rejections in the Examiner's Answer entered November 26, 2019 ("Ans."):

I. Claim 1 for nonstatutory double patenting as anticipated by claim 5 of U.S. patent 5,273,894 ("the Strauch '894 patent");

II. Claim 1 for nonstatutory, obviousness-type double patenting over claim 5 of the Strauch '894 patent in view of Kozak,⁴ Reddy,⁵ and Nisbet;⁶ and

III. Claim 1 for nonstatutory double patenting as anticipated by claim 2 of U.S. patent 5,276,268 ("the Strauch '268 patent").

We collectively refer to the Strauch '894 patent and the Strauch '268 patent as "the Strauch patents" throughout the remainder of this Decision.

⁴ Kozak, 47 *Microbiological Rev.* 1 (1983).

⁵ Reddy, et al., 82 *Proc. Natl. Acad. Sci. USA* 5656 (1985).

⁶ Nisbet et al., 2 *Gene Anal. Techn.* 23 (1985).

DISCUSSION

We review appealed rejections for reversible error based on the arguments and evidence the Patent Owners provide for each issue the Patent Owners identify. 37 C.F.R. § 41.37(c)(1)(iv); *Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential) (cited with approval in *In re Jung*, 637 F.3d 1356, 1365 (Fed. Cir. 2011) (explaining that even if the Examiner had failed to make a prima facie case, “it has long been the Board’s practice to require an applicant to identify the alleged error in the examiner’s rejections”)).

Upon consideration of the evidence relied upon in this appeal and each of Patent Owners’ contentions,⁷ we reverse the Examiner’s rejections of claim 1 for nonstatutory double patenting, for reasons set forth in the Appeal and Reply Briefs,⁸ and discussed below.

The application that issued as the Leemans ’962 patent (application 07/525,300, filed May 17, 1990) is a reissue of U.S. patent 7,112,665, which issued from application 08/465,219, which is a division of application 07/525,300, filed May 17, 1990, which is a continuation of application 07/131,140, filed November 5, 1987.⁹ The Leemans ’962 patent issued on

⁷ Although Patent Owners filed a request for oral hearing on May 8, 2020, the Patent Office denied the request because it was not timely filed within two months from the date of the Examiner’s Answer. Notification of Non-Compliant Request for Oral Hearing, entered July 9, 2020.

⁸ Reply Brief filed May 8, 2020.

⁹ Application 07/131,140 is a continuation of application PCT/EP87/00141, filed March 11, 1987. It is unclear on the record before us, and we need not opine on, whether the Leemans ’962 patent is entitled to the benefit of the filing date of application PCT/EP87/00141 for purposes of determining the

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June 24, 2014, and will expire on September 26, 2023.¹⁰ 35 U.S.C.
§ 154(c)(1).

The application that issued as the Strauch '894 patent (application 07/795,275, filed November 20, 1991) is a continuation of application 07/605,131, filed October 31, 1990, which is a continuation of application 07/088,118, filed August 21, 1987. The Strauch '894 patent issued on December 28, 1993, and expired on December 28, 2010.

The application that issued as the Strauch '268 patent (application 07/736,316, filed July 29, 1991) is a continuation-in-part of application 07/501,314, filed March 26, 1990, which is a continuation of application 07/145,302, filed January 19, 1988 and a continuation of application 07/605,131, filed October 31, 1990, which is a continuation of application 07/088,118, filed August 21, 1987. The Strauch '268 patent issued on January 4, 1994, and expired on January 4, 2011.

The earliest effective U.S. filing date of the Leemans '962 patent thus appears to be November 5, 1987, which is later than the apparent earliest effective U.S. filing date of the Strauch '894 patent (August 21, 1987), but the Strauch '894 patent issued before the Leemans '962 patent, and expired numerous years (December 28, 2010) before the expiration date of the Leemans '962 patent (September 26, 2023).

Similarly, the earliest effective U.S. filing date of the Leemans '962 patent (November 5, 1987) is later than the earliest effective U.S. filing date of the Strauch '268 patent (August 21, 1987), but the Strauch '268 patent

earliest effective U.S. filing date of the Leemans '962 patent. *See* MPEP § 804(I)(B)(1)(a).

¹⁰ U.S. patent 7,112,665 issued on September 26, 2006.

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issued before the Leemans '962 patent, and expired numerous years (January 4, 2011) before the expiration date of the Leemans '962 patent (September 26, 2023).

Patent Owners indicate (Appeal Br. Ex. 6; *see also* Appeal Br. 12), and the Examiner confirms (Final Act. 5), that the application leading to the Leemans '962 patent was jointly assigned from the inventors to Plant Genetic Systems NV and Biogen NV. Plant Genetic Systems NV subsequently changed its name to Aventis CropScience NV, which changed its name to Bayer CropScience NV, which changed its name to Bayer BioScience NV, which changed its name to Bayer CropScience NV. Biogen NV changed its name to Biogen Inc., which changed its name to Biogen Idec MA Inc. It is undisputed on the record before us, therefore, that the Leemans '962 patent is currently assigned to both Bayer CropScience NV and Biogen Idec MA Inc. *Compare* Final Act. 5, *with* Appeal Br. 12.

Patent Owners also indicate (Appeal Br. Ex. 6; *see also* Appeal Br. 12), and the Examiner generally confirms (Final Act. 5), that the applications leading to the Strauch patents were assigned from the inventors to Hoechst AG, which changed its name to Hoechst Schering AgrEvo GmbH, which changed its name to Aventis CropScience GmbH, which changed its name to Bayer CropScience GmbH, which changed its name to Bayer CropScience AG. It is undisputed on the record before us, therefore, that the Strauch patents are currently assigned to Bayer CropScience AG. *Compare* Final Act. 5, *with* Appeal Br. 12.

Patent Owners implicitly acknowledge that the claims of the Strauch patents cover species of the genus claimed in the Leemans '962 patent.

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Appeal Br. 36–37; *see also* Declaration of Ted M. Sichelman filed May 19, 2017, ¶¶ 80, 81 (Appeal Br. Ex. 15).

Patent Owners and the Examiner agree that the Leemans ’962 patent and the Strauch patents do not have any inventors in common. *Compare* Final Act. 6, *with* Appeal Br. 11. The Examiner determines, however, that because the Leemans ’962 patent is currently owned by Bayer CropScience NV and Biogen Idec MA, Inc., and the Strauch patents are currently owned by Bayer CropScience AG, and because Bayer CropScience NV and Bayer CropScience AG are wholly-owned subsidiaries of Bayer AG, Bayer AG is a “common owner/assignee” of the Leemans ’962 and Strauch patents. Final Act. 5–6, 12, 30–31. The Examiner determines that this common ownership provides a basis for nonstatutory double patenting under MPEP § 804, which states that “[b]efore consideration can be given to the issue of double patenting, two or more patents or applications must have at least one common inventor and/or be either commonly assigned/owned or non-commonly assigned/owned but subject to a joint research agreement.” Final Act. 6 (emphasis omitted).

The Examiner also determines that “[t]he sections of the MPEP discussing double patenting rejections also make it clear that ‘common’ does not mean ‘identical,’” because, for example, “MPEP 804(I)(A) states that double patenting may occur where two patents/applications were filed by ‘the same inventive entity, or by a different inventive entity having a common inventor, and/or by a common assignee/owner.’” Final Act. 6 (emphasis omitted). And, the Examiner determines, “MPEP 2127(IV) explains that ‘if an application that has not been published has an assignee or

inventor in common with the application being examined, a rejection will be proper in some circumstances. For instance, when the claims between the two applications are not independent or distinct, a provisional double patenting rejection is made.” *Id.*

The Examiner also determines that the “appropriateness of imposing a double patenting rejection based on Bayer’s common ownership of the Leemans ’962 patent and the Strauch patents is further supported by public policy.” Final Act. 31 (citing *In re Hubbell*, 709 F.3d 1140, 1145 (Fed. Cir. 2013)). According to the Examiner, Bayer’s “common ownership” of the Leemans ’962 and Strauch patents results “in an unjustified time-wise extension of Bayer’s right to exclude others from practicing the invention” because “any accused infringer of the species claims in the Strauch patents could still be subjected to the later issued genus claims in the Leemans ’962 patent even after expiration of the Strauch patents.” Final Act. 31–32. The Examiner determines that, in addition, “there is a significant risk of ‘harassment by multiple assignees’ due to the common but not identical ownership of the [Leemans ’962 and Strauch] patents.” Final Act. 32–33.

Patent Owners argue that “two separate and independent bases” exist for reversing the Examiner’s nonstatutory double patenting rejections. Appeal Br. 8. First, Patent Owners argue that the Leemans ’962 patent and the Strauch patents are not “commonly owned” because ownership of the patents is not identical due to the fact that Biogen Idec MA, Inc. “has always been, and continues to be, a co-owner of the Leemans [’962] patent, and at the same time does not have, and never has had, any patent ownership rights in the cited Strauch patents.” *Id.* (emphasis omitted).

Second, Patent Owners argue that the Leemans '962 and the Strauch patents are not “commonly owned” because “there is not, and never has been,” any overlap in ownership between Leemans '962 patent, which is co-owned by Bayer CropScience NV and Biogen Idec MA, Inc., and the Strauch patents, which are both owned by Bayer CropScience AG. *Id.* Patent Owners argue that Bayer CropScience NV and Bayer CropScience AG “are two separate and independent companies.” *Id.*

More specifically, as to Patent Owners' first argument that identity of ownership is required for patents to be “commonly owned” in the context of nonstatutory double patenting, Patent Owners argue that although the portion of MPEP § 804 quoted by the Examiner does not define “commonly owned,” MPEP § 706.02(1)(2)(1) does define the term, stating that “[t]he term ‘commonly owned’ is intended to mean that the subject matter which would otherwise be prior art to the claimed invention and the claimed invention are entirely or wholly owned by the same person(s) or organization(s) business entity(ies).” Appeal Br. 12–13 (emphasis omitted). Patent Owners argue that this section of the MPEP goes on to provide a hypothetical example to illustrate the meaning of “commonly owned”: if Company A owns twenty percent of Application X and Company B owns eighty percent of Application X, then patent Z is not commonly owned with Application X unless both Company A and Company B own patent Z. MPEP § 706.02(1)(2)(1) (second paragraph). Appeal Br. 13. In the present case, Patent Owners argue, “Biogen has an ownership interest in the Leemans patent[s] but Biogen has nothing to do with the Strauch patents.

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Thus, according to the hypothetical in the MPEP, the Leemans and Strauch patents are not commonly owned.” Appeal Br. 13 (emphasis omitted).

The Examiner responds to this argument by taking the position that “MPEP § 706.02(l)(2)(1) pertains to how prior art may be disqualified under pre-AIA 35 U.S.C. § 103, and is not pertinent to double patenting rejections.” Ans. 15.

Patent Owners argue, however, that contrary to the Examiner’s assertion, MPEP § 1490(VI)(A) links the definition of “commonly owned” set forth in MPEP § 706.02(l)(2)(1) to double patenting by stating that: “A terminal disclaimer filed to obviate a non-statutory *double patenting* rejection based on a *commonly owned patent* or application must comply with the requirements of 37 CFR 1.321(c). The terminal disclaimer must state that any patent granted on the application being examined will be enforceable only for and during the period that it and the patent to which the disclaimer is directed or the patent granted on the application to which the disclaimer is directed are *commonly owned*. *See MPEP § 706.02(1)(2) for examples of common ownership, or lack thereof.*” Appeal Br. 13.

Patent Owners argue that, therefore, “the USPTO’s own published guidance in the MPEP defines the term ‘commonly owned’ to mean identical ownership, and directly links that definition in one section of the MPEP to apply to the MPEP section on double patenting.” Appeal Br. 13–14.

Patent Owners further argue that a decision by the Board of Patent Appeals and Interferences in *Ex parte Brookhart* supports this position. Appeal Br. 15–16; *Ex parte Brookhart*, Appeal No. 2005-2463 (BPAI Sept.

19, 2005) (Appeal Br. Ex. 13). The patent application at issue in *Brookhart* was “co-owned by both [University of North Carolina] and DuPont,” while the reference “Bennett patent [was] assigned solely to DuPont.” *Brookhart* 4. The “fundamental” issue before the Board was whether the *Brookhart* application and the Bennett patent were “currently ‘commonly owned’ for purposes of applying an obviousness-type double patenting rejection.” *Brookhart* 4–5. The Board determined that “MPEP § 1490, which relates to the filing of a terminal disclaimer for the purpose of obviating a double patenting rejection of the obviousness type, explicitly [sic] links the meaning of common ownership in a double patenting context to the definition in MPEP § 706.02(1)(2),” which, the Board indicated, “is dispositive of the issue before us.” *Brookhart* 6. The Board concluded that “the double patenting rejection at issue is inappropriate because the Bennett patent and [Patent Owners’] application are not ‘commonly owned’ as defined in MPEP § 706.02(1)(2).” *Id.*

Patent Owners argue that “*Brookhart* was correctly decided and the reasoning of the Board in that case should be followed here.” Appeal Br. 16. Patent Owners further argue that *Brookhart* is consistent with the District Court of Delaware’s decision in *Novartis Pharms. Corp. v. Noven Pharms. Inc.*, 125 F. Supp. 3d 474 (D. Del., Aug. 31, 2015) (Appeal Br. Ex. 14). Appeal Br. 16–17. In *Novartis*, an accused infringer (Noven) argued that the asserted claims of the patent at issue (the ’031 patent) were invalid for obviousness-type double patenting over claims of an issued patent (the ’176 patent). *Novartis*, 125 F. Supp. 3d at 476. Although the patent at issue (the ’031 patent) and the reference patent (the ’176 patent) had no inventors in

common, the patent at issue (the '031 patent) was jointly owned by Novartis AG and LTS, while the reference patent (the '176 patent) was solely owned by Novartis AG. *Novartis*, 125 F. Supp. 3d at 486–87. Accused infringer Noven argued that both patents were “commonly owned” for the purposes of obviousness-type double patenting because they shared Novartis AG as a common assignee. *Id.* The court, however, held that the patent at issue (the '031 patent) was not commonly owned with the reference patent (the '176 patent). *Id.* The court based its decision on the definition in MPEP § 706.02(l) of “common ownership” as “entirely or wholly owned by the same person(s) or organization(s).” *Id.* The court explained that “obviousness-type double patenting fails as a matter of law because the '176 patent and '031 patent were not filed by the same inventive entity, have no inventors in common, and are not entirely owned by the same entity.” *Novartis*, 125 F. Supp. 3d at 487 (citing *Hubbell*, 709 F.3d at 1146–48).

The Examiner does not respond to Patent Owners’ arguments directed to the *Novartis* decision. *See generally* Ans. The Examiner, however, does indicate that “[a]s a non-precedential decision, *Brookhart* is not binding precedent on the Office.” Ans. 31. The Examiner further indicates that “[a]ny persuasive value *Brookhart* might have is undercut by its contradiction of the controlling precedent such as seen in *In re Dinwiddie*, 347 F.2d 1016 (CCPA 1965).” *Id.*

We do not agree with the Examiner, however, that *Dinwiddie* is “controlling precedent.” In *Dinwiddie*, the rejection at issue was a “double patenting rejection . . . in the ‘common assignee’ category by tacit agreement of the parties.” *Dinwiddie*, 347 F.2d at 1017. The court “assume[d]

common ownership” of the application at issue and a reference patent applied in the double patenting rejection because “the case seems to have proceeded on this assumption and no one disputes it.” *Id.* The court indicated, however, that common ownership “is not substantiated by the record and may not in fact exist.” *Id.* Contrary to the Examiner’s assertion, *Dinwiddie*, therefore, does not control in the present case because the court assumed that the application at issue and the reference patent were commonly owned for the purpose of reviewing and analyzing a nonstatutory double patenting rejection, rather than initially determining on the merits whether such common ownership actually existed.

Nonetheless, for disposition of the present appeal, we need not decide whether “commonly owned” in the context of nonstatutory double patenting requires identity of ownership as Patent Owners argue, or does not require identity of ownership as the Examiner asserts. For reasons discussed below, Patent Owners’ second argument asserting lack of overlap in ownership between the Leemans ’962 patent and the Strauch patents identifies reversible error in the Examiner’s rejection.

As discussed above, Patent Owners argue that Bayer CropScience NV, a co-owner (with Biogen Idec MA Inc.) of the Leemans ’962 patent, and Bayer CropScience AG, the sole owner of the Strauch patents, “are two separate and independent companies,” and, therefore, no overlap in ownership exists between the Leemans ’962 and Strauch patents. Appeal Br. 8. Elaborating on this argument, Patent Owners contend that, as a matter of law, contrary to the Examiner’s position (discussed above), although Bayer AG owns 100% of the shares of its subsidiaries Bayer CropScience

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NV and Bayer CropScience AG, Bayer AG does not own the assets—including the patents—of either company. Appeal Br. 26.

Patent Owners argue that under *Akazawa v. Link New Tech. International Inc.*, 520 F.3d 1354, 1357–58 (Fed. Cir. 2008) (Appeal Br. Ex. 17) the controlling law for determining patent ownership is governed by the “law of the location of the owner/assignee.” Appeal Br. 26. Patent Owners argue that, therefore, because Bayer CropScience AG “is a German company, organized under German law,” ownership of patents assigned to Bayer CropScience AG is “governed by German law.” *Id.* Patent Owners argue that, as explained in the Declaration of Hans Christoph Grigoleit (Appeal Br. Ex. 18), “[u]nder German law, a subsidiary stock corporation (‘AG’) still owns the assets (including patents) owned by it, even if 100% owned by a parent corporation.” Appeal Br. 26–27; Grigoleit Declaration ¶ 7 (“As long as an AG retains its status as an AG . . . its assets will be allocated to the AG itself, whatever the structure of the corporate affiliation may be like. Even a subsidiary AG whose parent corporation owns 100 % of its stock is recognized as a separate legal person in terms of German corporate law. The parent corporation does not share ownership of the subsidiary’s assets based on it owning 100% of the shares.”). Patent Owners argue that, therefore, Bayer CropScience AG, rather than Bayer AG, owns the patents assigned to Bayer CropScience AG, including the Strauch patents. Appeal Br. 27.

Similarly, Patent Owners argue that under *Akazawa*, because Bayer CropScience NV “is a Belgian company,” ownership of patents assigned to Bayer CropScience NV is “governed by Belgian law.” Appeal Br. 27.

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Patent Owners argue that, as explained in the Declaration of Hans De Wulf (Appeal Br. Ex. 19), under Belgian law, “patents or other assets owned by an NV are owned by the legal person that is the corporation, not by the shareholders of that corporation.” Appeal Br. 27 (citing De Wulf Declaration § 1, ¶ 2). Patent Owners argue that, therefore, under Belgian law, Bayer CropScience NV, rather than Bayer AG, owns the patents assigned to Bayer CropScience NV, including the Leemans ’962 patent. Appeal Br. 27.

Patent Owners argue that although U.S. law should not be applied to determine ownership of the Leemans ’962 and Strauch patents, even if U.S. law were applied, Bayer AG would have “no ownership rights” in either patent. Appeal Br. 28. Patent Owners rely on numerous court decisions to support this argument, including the Supreme Court’s decision in *Dole Food Co. v. Patrickson*, 538 U.S. 468, 474–75 (2003) (Appeal Br. Ex. 20), where the Court indicated that “[a] corporate parent which owns the shares of a subsidiary does not, for that reason alone, own or have legal title to the assets of the subsidiary.” Appeal Br. 29.

Patent Owners also point out that in *Digitech Image Techs., LLC v. Newegg Inc.*, No. 2:12-c-01688, 2013 WL 1871513 (C.D. Cal. May 3, 2013) (Appeal Br. Ex. 21) the Central District of California relied on the Federal Circuit’s decision in *Abraxis Bioscience, Inc. v. Navinta LLC*, 625 F.3d 1359, 1366 (Fed. Cir. 2010) when holding that the “fact that a corporate parent’s subsidiary owns a patent is not enough to establish that the parent has a legal ownership interest in the subsidiary’s patent.” Appeal Br. 29; *Digitech*, at *4. In *Abraxis*, the Federal Circuit explained that “[c]ommon

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corporate structure does not overcome the requirement that even between a parent and a subsidiary, an appropriate written assignment is necessary to transfer legal title [of a patent] from one to the other.” *Abraxis*, 625 F.3d at 1366.

Patent Owners further rely on the District Court of Nevada’s decision in *Email Link Corp. v. Treasure Island, LLC*, No. 2:11-cv-01433-ECR-GWF, 2012 WL 4482576 (D. Nev. Sept. 25, 2012) (Appeal Br. Ex. 22) in which the court indicated that “Plaintiff’s argument that both the ‘176 Patent, owned by Plaintiff Email Link, and the ‘789 Patent, owned by Online New Link, are owned by Acacia by virtue of its 100% ownership of Email Link and Online News Link goes against a ‘basic tenet of American corporate law . . . that the corporation and its shareholders are distinct entities. . . . A corporate parent which owns the shares of a subsidiary does not, for that reason alone, own or have legal title to the assets of the subsidiary.” *Email Link* at *4 (quoting *Dole Food Co. v. Patrickson*, 538 U.S. 468, 474–75 (2003)); Appeal Br. 29–30. The court further explained that “in the patent context, the Federal Circuit has applied this basic principle of American corporate law to hold that once a parent company assigned a patent to its subsidiary, the parent no longer had rights in the patent, even though it controlled the subsidiary.” *Email Link* at *4 (citing *Schreiber Foods, Inc. v. Beatrice Cheese, Inc.*, 402 F.3d 1198, 1200–03 (Fed. Cir. 2005) (finding that Plaintiff lost standing to sue when it assigned the patent at issue to its subsidiary)).

Finally, Patent Owners argue that in *Optimal Golf Solutions, Inc. v. Altex Corp.*, No. 3:09-CV-1403-K, 2015 WL 93434, at *3 (N.D. Tex. Jan.

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7, 2015) (Appeal Br. Ex. 23), the Northern District of Texas, citing *Dole Food*, “found that a license granted to a patent owned by the licensor’s subsidiary, not the purported licensor, was invalid because the purported licensor did not own the patent of its subsidiary, and therefore had no right to license it.” Appeal Br. 30; *see also Optimal Golf* at *3 (“[m]erely because OGSi is a wholly owned subsidiary of GPS does not in and of itself confer all substantial rights of the ‘093 patent on GPS.”).

Patent Owners argue that, accordingly, under the above U.S. legal authority, a “parent company does not own or have legal [title] to its subsidiary’s patents even when the subsidiary company is incorporated in a U.S. jurisdiction.” Appeal Br. 29 (emphasis omitted).

The Examiner responds to Patent Owners’ arguments by stating that Patent Owners’ “choice of law argument has no merit facing the present issue. Usually choice of law comes [into] play when a corporate entity is held liable for the action of subsidiaries in tort or under other liability cause of action. Here the Office is not asserting the Appellant is liable for the activity of its subsidiaries in tort or should have standing in litigation.” Ans. 37.

A fundamental issue in the present case, however, is whether the Leemans ’962 and Strauch patents are “commonly owned,” so as to provide a legal basis for the Examiner’s obviousness-type double patenting rejection. Consequently, contrary to the Examiner’s position that “choice of law . . . has no merit facing the present issue,” identifying the correct legal standard for determining ownership of the Leemans ’962 and Strauch patents is critical to the present case. *Id.* By summarily dismissing Patent Owners’

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“choice of law” arguments, the Examiner does not squarely address Patent Owners’ analysis of the appropriate law to apply for determining whether the Leemans ’962 and Strauch patents are “commonly owned.”

The Examiner further responds to Patent Owners’ arguments by stating that the “cases [cited by Patent Owners] are not relevant to judicially created nonstatutory double patenting. None of these cases even remotely considered the issue of nonstatutory double patenting, and the public policy that underlies it and that issue was never before the tribunals.” Ans. 35.

The cases cited by Patent Owners, however, are highly relevant to determining whether the Leemans ’962 and Strauch patents are “commonly owned.” In summarily dismissing these cases, the Examiner does not directly address Patent Owners’ argument that under *Akazawa*, the controlling legal authority for determining ownership of the Strauch patents is German law, and the controlling legal authority for determining ownership of the Leemans ’962 patent is Belgian law. Nor does the Examiner cite any binding, countervailing legal authority that contradicts *Akazawa*, or that contradicts the Declaration evidence provided by Patent Owners indicating that under Belgian and German law, respectively, Bayer CropScience NV, rather than Bayer AG, is the co-owner (with Biogen Idec MA Inc.) of the Leemans ’962 patent, and Bayer CropScience AG, rather than Bayer AG, is the owner of the Strauch patents.

The Examiner also responds to Patent Owners’ arguments by contending that the court’s reasoning in *Email Link* “was not followed by a different district court.” Ans. 36. According to the Examiner, in *Goss International*, the District Court of New Hampshire determined that “the

common ownership requirements are met when the parent company owns 100% shares of its two wholly owned subsidiaries.” Ans. 36 (citing *Goss Int’l Americas, Inc. v. MAN Roland, Inc.*, No. Civ. 03–CV–513–SM, 2006 WL 1360020, at *1–2 (D.N.H. May 2, 2006). The Examiner contends that, “based on the holding in *Goss*, Bayer AG, by virtue of 100% ownership of the subsidiaries, is considered a common owner of [Leemans ’962 and Strauch] patents.” Ans. 36.

The Examiner appears to misapprehend the factual situation at issue in *Goss*, however. The “question of first impression” decided by the court in *Goss* was “whether a patent owned by a parent company and a patent owned by a wholly owned subsidiary are ‘commonly owned’ for purpose of a terminal disclaimer filed to overcome an obviousness-type double[] patenting rejection.” *Goss*, at *1. The court in *Goss*, therefore, did not address whether a parent company is considered a “common owner” of patents assigned to two wholly-owned subsidiaries of the parent company, as the Examiner appears to assert. Ans. 36. Contrary to the Examiner’s assertion, the court’s holding in *Goss*, therefore, does not constitute either binding or informative legal authority that supports the Examiner’s position that “Bayer AG, by virtue of 100% ownership of the subsidiaries, is considered a common owner of [Leemans ’962 and Strauch] patents.” Ans. 36.

The Examiner further responds to Patent Owners’ arguments by referring to the Supreme Court’s decision in *Copperweld Corp. v. Indep. Tube Corp.*, 467 U.S. 752, 771 (1984), where the Court stated that “[w]ith or without a formal ‘agreement,’ the subsidiary acts for the benefit of the

parent.” Ans. 34–35. The Examiner contends that under this reasoning, “Bayer AG has a unity of interest with its subsidiaries and is a beneficial owner of its subsidiaries’ patents,” and, therefore, Bayer AG “is a common owner of the Leemans and Strauch patent for purposes of non-statutory double patenting.” Ans. 35.

We point out that the Court in *Copperweld* addressed the antitrust law issue of whether a parent corporation and its wholly owned subsidiary were legally capable of conspiring with each other under § 1 of the Sherman Act. The Court determined that “the coordinated activity of a parent and its wholly owned subsidiary must be viewed as that of a single enterprise *for purposes of § 1 of the Sherman Act.*”¹¹ *Copperweld*, 467 U.S. at 771 (emphasis added).

The Court in *Copperweld* did not address the legal requirements for establishing whether two patents are “commonly owned” for purposes of non-statutory, obviousness-type double patenting. Contrary to the Examiner’s assertion (Ans. 34–35), the Court’s reasoning in *Copperweld*, therefore, does not establish that Bayer AG “is a common owner of the Leemans and Strauch patent for purposes of non-statutory double patenting.”

¹¹ Section 1 of the Sherman Act provides that: “Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal. Every person who shall make any contract or engage in any combination or conspiracy hereby declared to be illegal shall be deemed guilty of a felony, and, on conviction thereof, shall be punished by fine not exceeding \$100,000,000 if a corporation, or, if any other person, \$1,000,000, or by imprisonment not exceeding 10 years, or by both said punishments, in the discretion of the court.” 15 U.S.C. § 1.

In further response to Patent Owners' arguments, the Examiner reiterates the position set forth in the Final Action that Bayer's "common ownership" of the Leemans '962 and Strauch patents results "in an unjustified time-wise extension of Bayer AG's right to exclude others from practicing the invention" and poses "a significant risk of 'harassment by multiple assignees.'" Ans. 40–41.

Obviousness-type double patenting is grounded on the policy justifications of "prevent[ing] unjustified timewise extension of the right to exclude granted by a patent no matter how the extension is brought about . . . [and] prevent[ing] multiple infringement suits by different assignees asserting essentially the same patented invention." *Hubbell*, 709 F.3d at 1145 (citing *In re Van Ornum*, 686 F.2d 937, 943–44 (CCPA 1982) and *In re Fallaux*, 564 F.3d 1313, 1310 (Fed. Cir. 2009)). While we appreciate the Examiner's cogent analysis of the policy justifications in the context of a benefit potentially incurred by a parent corporation when patents separately owned by two sister corporations are simultaneously enforced, on the record before us, we are not persuaded that the underlying policy justifications for obviousness-type double patenting show that parent company Bayer AG is a common owner of the two patents.

As Patent Owners point out (Appeal Br. 42–44), the Federal Circuit, in a related case, explicitly indicated that courts have not yet considered "the policies that underlie" obviousness-type double patenting in the particular context of determining whether common ownership exists under the present factual situation, in which "[t]he Leemans ['962] and Strauch patents, having originated from separate inventors and unrelated companies (Hoechst

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AG and Plant Genetic Systems), are now held by sibling companies.” *Bayer CropScience AG v. Dow Agrosciences LLC*, 680 F. App’x 985, 995 (Fed. Cir. 2017).

This statement by the Federal Circuit occurred in the court’s decision on Dow Agrosciences’ appeal of the Eastern District of Virginia’s confirmation of an international arbitration tribunal’s determination that the Leemans ’962 patent was not invalid for obviousness-type double patenting over the Strauch patents. *Dow*, 680 F. App’x at 988–90. In this decision, the Federal Circuit explained that Dow had argued to the arbitration tribunal that the Leemans ’962 patent was invalid for obviousness-type double patenting over the Strauch patents, “contending that the patents were commonly owned by Bayer AG, the parent company of Bayer CropScience AG (owner of the Strauch patents) and Bayer CropScience NV (owner or co-owner of the Leemans patents).” *Dow*, 680 F. App’x at 988–94. The Federal Circuit indicated that the arbitration tribunal had concluded that the patents were not commonly owned because Bayer CropScience AG and Bayer CropScience NV “were different entities and Dow had not provided sufficient evidence to pierce the corporate veil separating them.” *Id.* In affirming the district court’s confirmation of the arbitration tribunal’s decision, the Federal Circuit indicated that “[w]e cannot say that the tribunal’s conclusion is contrary to public policy or reflects a manifest disregard of the law under the strict standards governing such challenges.” *Id.* at 994–95.

The Federal Circuit explained that because obviousness-type double patenting is a judicially-created corollary to statutory double patenting,

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which itself is a “judicial gloss” on 35 U.S.C. § 101, the “authoritative source of law in this area is therefore judicial precedent.” *Id.* at 995. The Federal Circuit indicated that “while the courts may someday reach the present situation, they have not yet done so.” *Id.* The court noted, however, that a “district-court decision concerning terminal-disclaimer law supports Bayer, not Dow, on this issue.” *Id.* at n.2 (citing *Email Link Corp. v. Treasure Island, LLC*, No. 2:11-cv-1433-ECR-GWF, 2012 WL 4482576 (D. Nev. Sept. 25, 2012)).

The Federal Circuit further explained that “[n]o precedent cited to the tribunal, or to us, considers and resolves in Dow’s favor the doctrinal questions presented by this situation, including those addressed to the policies that underlie the doctrine—the unjustified extension of exclusivity rights against the public and the potential for separate assignee suits enforcing the same rights.” *Id.* (citing *Geneva Pharms., Inc. v. GlaxoSmithKline PLC*, 349 F.3d 1373, 1378 (Fed. Cir. 2003), *Hubbell*, 709 F.3d at 1145). The court concluded that “[w]ith the doctrinal question as unsettled as it is for the present circumstances, the tribunal’s rejection of Dow’s double-patenting challenge cannot be declared a manifest disregard of law or contrary to public policy.” *Id.*

Accordingly, as the Federal Circuit indicated in *Dow*, the policy justifications underlying obviousness-type double patenting alone do not warrant a conclusion that the Leemans ’962 and Strauch patents are commonly owned by Bayer AG. Thus, for similar reasons to those relied upon in the *Dow* arbitration decision, the legal authority and evidence Patent Owners rely on to support their position that an overlap in ownership does

not exist between the Leemans '962 and Strauch patents is more persuasive than the Examiner's public policy justification. We are not persuaded that Bayer AG's alleged "beneficial ownership" of the Leemans '962 and Strauch patents alone is sufficient to render the Leemans '962 and Strauch patents "commonly owned" for the purposes of obviousness-type double patenting. Nor are we persuaded that the underlying policy justifications for obviousness-type double patenting show common ownership.¹²

Therefore, we are persuaded of error in the Examiner's determination that the Leemans '962 and Strauch patents are "commonly owned." Consequently, because it is undisputed on the record before us that the Leemans '962 and Strauch patents do not share any inventors in common,

¹² We note that our holding is consistent with intervening case law from the Federal Circuit in *Immunex Corp. v. Sandoz Inc.*, No. 2020-1037, 2020 WL 3556098, slip op. at 9–15 (Fed. Cir. July 1, 2020). In *Immunex*, the Court looked favorably on an "all substantial rights test" indicating it "appears consistent with both principles underlying obviousness-type double patenting" in evaluating when patents are considered "'commonly owned' for [the] purposes of obviousness-type double patenting" *Id.* at 6. The Court concluded that "the right to prosecute the patent at issue" is informative such that where "a party ultimately controls prosecution of both sets of patents [the patentee is prevented] the unjustifiable issuance of claims that are patentably indistinct from claims already owned by that party." *Id.* (emphasis omitted). In *Immunex*, not all substantial rights were conferred to a single owner, despite the transfer of some rights to the prior art patent owner. Rather, in *Immunex*, the patent owner retained key rights in the agreement. *Id.* at 18. In the present case, however, Patent Owners have established that *no* ownership rights are held by the parent company Bayer AG. Indeed, Bayer AG would not have the authority to file a reexamination application of either the Leemans '962 or Strauch patents. Thus, despite some benefit Bayer AG may have by holding shares of both sister companies, Bayer AG cannot be a common owner.

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the Examiner does not establish a basis for rejecting claim 1 of the Leemans '962 patent for obviousness-type double patenting over the applied claims of the Strauch patents.

We, accordingly, do not sustain the Examiner's rejections of claim 1 of the Leemans '962 patent for nonstatutory double patenting over the applied claims of the Strauch patents.

CONCLUSION

Claim	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
1	Nonstatutory double patenting	Strauch '894		1
1	Nonstatutory, obviousness-type double patenting	Strauch '894, Kozak, Reddy, Nisbet		1
1	Nonstatutory double patenting	Strauch '268		1
Overall Outcome				1

REVERSED

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/013,563	08/07/2015	RE44962	2428-0161L	7929
2292	7590	09/30/2020	EXAMINER	
BIRCH STEWART KOLASCH & BIRCH, LLP			PONNALURI, PADMASHRI	
8110 Gatehouse Road			ART UNIT	
Suite 100 East			PAPER NUMBER	
Falls Church, VA 22042-1248			3991	
			MAIL DATE	DELIVERY MODE
			09/30/2020	PAPER

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90/013,394	11/07/2014	RE44,962 E	2428-0155L	8403
2292	7590	09/30/2020	EXAMINER	
BIRCH STEWART KOLASCH & BIRCH, LLP			PONNALURI, PADMASHRI	
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90/013,515	06/01/2015	RE44962	2428-0160L	5115
2292	7590	09/30/2020	EXAMINER	
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BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte BAYER CROPSCIENCE NV and BIOGEN IDEC MA, INC.
Patent Owners and Appellants

Appeal 2020-002922
Reexamination Control 90/013,394, 90/013,515, and 90/013,563
Patent RE44,962 E
Technology Center 3900

Before RICHARD M. LEBOVITZ, RAE LYNN P. GUEST, and
JANE E. INGLESE, *Administrative Patent Judges*.

INGLESE, *Administrative Patent Judge*.

DECISION ON APPEAL

This appeal stems from third-party requests filed November 7, 2014, June 1, 2015, and August 7, 2015 for *ex parte* reexamination of U.S. patent RE44,962 E (“the Leemans ’962 patent”).¹ The Patent Office granted each request for *ex parte* reexamination, and subsequently merged the three *ex parte* reexaminations into a single proceeding under 37 C.F.R. 1.565(c).

Bayer CropScience NV and Biogen Idec MA, Inc. (“Patent Owners”), the owners of the Leemans ’962 patent, appeal² the Examiner’s final rejection of claim 1 in the merged *ex parte* reexamination proceeding.³ We

¹ The first-named inventor of U.S. patent RE44,962 E is Jan Leemans.

² Appeal Brief filed March 8, 2019 (“Appeal Br.”).

³ Final Office Action entered August 8, 2018 (“Final Act.”).

have jurisdiction over the appeal under 35 U.S.C. §§ 134(b) and 306.

We REVERSE.

CLAIMED SUBJECT MATTER

The invention described in the '962 patent relates to a process for protecting plant cells and plants from the herbicidal action of glutamine synthetase inhibitors, and to DNA fragments and recombinants containing nucleotide sequences encoding resistance to glutamine synthetase inhibitors.

Col. 1, ll. 21–31. Claim 1, the sole claim on appeal, reads as follows:

1. An isolated DNA encoding a protein having phosphinothricin acetyltransferase activity, or a variant thereof retaining said activity, said protein comprising the amino acid sequence (SEQ ID No. 1):

X	Ser	Pro	Glu	Arg	Arg	Pro	Ala	Asp
Ile	Arg	Arg	Ala	Thr	Glu	Ala	Asp	MET
Pro	Ala	Val	Cys	Thr	Ile	Val	Asn	His
Tyr	Ile	Glu	Thr	Ser	Thr	Val	Asn	Phe
Arg	Thr	Glu	Pro	Gln	Glu	Pro	Gln	Glu
Trp	Thr	Asp	Asp	Leu	Val	Arg	Leu	Arg
Glu	Arg	Tyr	Pro	Trp	Leu	Val	Ala	Glu
Val	Asp	Gly	Glu	Val	Ala	Gly	Ile	Ala
Tyr	Ala	Gly	Pro	Trp	Lys	Ala	Arg	Asn
Ala	Tyr	Asp	Trp	Thr	Ala	Glu	Ser	Thr
Val	Tyr	Val	Ser	Pro	Arg	His	Gln	Arg
Thr	Gly	Leu	Gly	Ser	Thr	Leu	Tyr	Thr
His	Leu	Leu	Lys	Ser	Leu	Glu	Ala	Gln
Gly	Phe	Lys	Ser	Val	Val	Ala	Val	Ile

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Gly	Leu	Pro	Asn	Asp	Pro	Ser	Val	Arg
Met	His	Glu	Ala	Leu	Gly	Tyr	Ala	Pro
Arg	Gly	Met	Leu	Arg	Ala	Ala	Gly	Phe
Lys	His	Gly	Asn	Trp	His	Asp	Val	Gly
Phe	Trp	Gln	Leu	Asp	Phe	Ser	Leu	Pro
Val	Pro	Pro	Arg	Pro	Val	Leu	Pro	Val
Thr	Glu	Ile						

in which X is Met, said DNA consisting of between 549 and 625 nucleotides wherein X is encoded by ATG.

Appeal Br. Claims Appendix.

THE REJECTIONS

The Examiner maintains the following rejections in the Examiner's Answer entered November 26, 2019 ("Ans."):

I. Claim 1 for nonstatutory double patenting as anticipated by claim 5 of U.S. patent 5,273,894 ("the Strauch '894 patent");

II. Claim 1 for nonstatutory, obviousness-type double patenting over claim 5 of the Strauch '894 patent in view of Kozak,⁴ Reddy,⁵ and Nisbet;⁶ and

III. Claim 1 for nonstatutory double patenting as anticipated by claim 2 of U.S. patent 5,276,268 ("the Strauch '268 patent").

We collectively refer to the Strauch '894 patent and the Strauch '268 patent as "the Strauch patents" throughout the remainder of this Decision.

⁴ Kozak, 47 *Microbiological Rev.* 1 (1983).

⁵ Reddy, et al., 82 *Proc. Natl. Acad. Sci. USA* 5656 (1985).

⁶ Nisbet et al., 2 *Gene Anal. Techn.* 23 (1985).

DISCUSSION

We review appealed rejections for reversible error based on the arguments and evidence the Patent Owners provide for each issue the Patent Owners identify. 37 C.F.R. § 41.37(c)(1)(iv); *Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential) (cited with approval in *In re Jung*, 637 F.3d 1356, 1365 (Fed. Cir. 2011) (explaining that even if the Examiner had failed to make a prima facie case, “it has long been the Board’s practice to require an applicant to identify the alleged error in the examiner’s rejections”)).

Upon consideration of the evidence relied upon in this appeal and each of Patent Owners’ contentions,⁷ we reverse the Examiner’s rejections of claim 1 for nonstatutory double patenting, for reasons set forth in the Appeal and Reply Briefs,⁸ and discussed below.

The application that issued as the Leemans ’962 patent (application 07/525,300, filed May 17, 1990) is a reissue of U.S. patent 7,112,665, which issued from application 08/465,219, which is a division of application 07/525,300, filed May 17, 1990, which is a continuation of application 07/131,140, filed November 5, 1987.⁹ The Leemans ’962 patent issued on

⁷ Although Patent Owners filed a request for oral hearing on May 8, 2020, the Patent Office denied the request because it was not timely filed within two months from the date of the Examiner’s Answer. Notification of Non-Compliant Request for Oral Hearing, entered July 9, 2020.

⁸ Reply Brief filed May 8, 2020.

⁹ Application 07/131,140 is a continuation of application PCT/EP87/00141, filed March 11, 1987. It is unclear on the record before us, and we need not opine on, whether the Leemans ’962 patent is entitled to the benefit of the filing date of application PCT/EP87/00141 for purposes of determining the

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June 24, 2014, and will expire on September 26, 2023.¹⁰ 35 U.S.C.
§ 154(c)(1).

The application that issued as the Strauch '894 patent (application 07/795,275, filed November 20, 1991) is a continuation of application 07/605,131, filed October 31, 1990, which is a continuation of application 07/088,118, filed August 21, 1987. The Strauch '894 patent issued on December 28, 1993, and expired on December 28, 2010.

The application that issued as the Strauch '268 patent (application 07/736,316, filed July 29, 1991) is a continuation-in-part of application 07/501,314, filed March 26, 1990, which is a continuation of application 07/145,302, filed January 19, 1988 and a continuation of application 07/605,131, filed October 31, 1990, which is a continuation of application 07/088,118, filed August 21, 1987. The Strauch '268 patent issued on January 4, 1994, and expired on January 4, 2011.

The earliest effective U.S. filing date of the Leemans '962 patent thus appears to be November 5, 1987, which is later than the apparent earliest effective U.S. filing date of the Strauch '894 patent (August 21, 1987), but the Strauch '894 patent issued before the Leemans '962 patent, and expired numerous years (December 28, 2010) before the expiration date of the Leemans '962 patent (September 26, 2023).

Similarly, the earliest effective U.S. filing date of the Leemans '962 patent (November 5, 1987) is later than the earliest effective U.S. filing date of the Strauch '268 patent (August 21, 1987), but the Strauch '268 patent

earliest effective U.S. filing date of the Leemans '962 patent. *See* MPEP § 804(I)(B)(1)(a).

¹⁰ U.S. patent 7,112,665 issued on September 26, 2006.

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issued before the Leemans '962 patent, and expired numerous years (January 4, 2011) before the expiration date of the Leemans '962 patent (September 26, 2023).

Patent Owners indicate (Appeal Br. Ex. 6; *see also* Appeal Br. 12), and the Examiner confirms (Final Act. 5), that the application leading to the Leemans '962 patent was jointly assigned from the inventors to Plant Genetic Systems NV and Biogen NV. Plant Genetic Systems NV subsequently changed its name to Aventis CropScience NV, which changed its name to Bayer CropScience NV, which changed its name to Bayer BioScience NV, which changed its name to Bayer CropScience NV. Biogen NV changed its name to Biogen Inc., which changed its name to Biogen Idec MA Inc. It is undisputed on the record before us, therefore, that the Leemans '962 patent is currently assigned to both Bayer CropScience NV and Biogen Idec MA Inc. *Compare* Final Act. 5, *with* Appeal Br. 12.

Patent Owners also indicate (Appeal Br. Ex. 6; *see also* Appeal Br. 12), and the Examiner generally confirms (Final Act. 5), that the applications leading to the Strauch patents were assigned from the inventors to Hoechst AG, which changed its name to Hoechst Schering AgrEvo GmbH, which changed its name to Aventis CropScience GmbH, which changed its name to Bayer CropScience GmbH, which changed its name to Bayer CropScience AG. It is undisputed on the record before us, therefore, that the Strauch patents are currently assigned to Bayer CropScience AG. *Compare* Final Act. 5, *with* Appeal Br. 12.

Patent Owners implicitly acknowledge that the claims of the Strauch patents cover species of the genus claimed in the Leemans '962 patent.

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Appeal Br. 36–37; *see also* Declaration of Ted M. Sichelman filed May 19, 2017, ¶¶ 80, 81 (Appeal Br. Ex. 15).

Patent Owners and the Examiner agree that the Leemans ’962 patent and the Strauch patents do not have any inventors in common. *Compare* Final Act. 6, *with* Appeal Br. 11. The Examiner determines, however, that because the Leemans ’962 patent is currently owned by Bayer CropScience NV and Biogen Idec MA, Inc., and the Strauch patents are currently owned by Bayer CropScience AG, and because Bayer CropScience NV and Bayer CropScience AG are wholly-owned subsidiaries of Bayer AG, Bayer AG is a “common owner/assignee” of the Leemans ’962 and Strauch patents. Final Act. 5–6, 12, 30–31. The Examiner determines that this common ownership provides a basis for nonstatutory double patenting under MPEP § 804, which states that “[b]efore consideration can be given to the issue of double patenting, two or more patents or applications must have at least one common inventor and/or be either commonly assigned/owned or non-commonly assigned/owned but subject to a joint research agreement.” Final Act. 6 (emphasis omitted).

The Examiner also determines that “[t]he sections of the MPEP discussing double patenting rejections also make it clear that ‘common’ does not mean ‘identical,’” because, for example, “MPEP 804(I)(A) states that double patenting may occur where two patents/applications were filed by ‘the same inventive entity, or by a different inventive entity having a common inventor, and/or by a common assignee/owner.’” Final Act. 6 (emphasis omitted). And, the Examiner determines, “MPEP 2127(IV) explains that ‘if an application that has not been published has an assignee or

inventor in common with the application being examined, a rejection will be proper in some circumstances. For instance, when the claims between the two applications are not independent or distinct, a provisional double patenting rejection is made.” *Id.*

The Examiner also determines that the “appropriateness of imposing a double patenting rejection based on Bayer’s common ownership of the Leemans ‘962 patent and the Strauch patents is further supported by public policy.” Final Act. 31 (citing *In re Hubbell*, 709 F.3d 1140, 1145 (Fed. Cir. 2013)). According to the Examiner, Bayer’s “common ownership” of the Leemans ‘962 and Strauch patents results “in an unjustified time-wise extension of Bayer’s right to exclude others from practicing the invention” because “any accused infringer of the species claims in the Strauch patents could still be subjected to the later issued genus claims in the Leemans ‘962 patent even after expiration of the Strauch patents.” Final Act. 31–32. The Examiner determines that, in addition, “there is a significant risk of ‘harassment by multiple assignees’ due to the common but not identical ownership of the [Leemans ‘962 and Strauch] patents.” Final Act. 32–33.

Patent Owners argue that “two separate and independent bases” exist for reversing the Examiner’s nonstatutory double patenting rejections. Appeal Br. 8. First, Patent Owners argue that the Leemans ‘962 patent and the Strauch patents are not “commonly owned” because ownership of the patents is not identical due to the fact that Biogen Idec MA, Inc. “has always been, and continues to be, a co-owner of the Leemans [‘962] patent, and at the same time does not have, and never has had, any patent ownership rights in the cited Strauch patents.” *Id.* (emphasis omitted).

Second, Patent Owners argue that the Leemans '962 and the Strauch patents are not “commonly owned” because “there is not, and never has been,” any overlap in ownership between Leemans '962 patent, which is co-owned by Bayer CropScience NV and Biogen Idec MA, Inc., and the Strauch patents, which are both owned by Bayer CropScience AG. *Id.* Patent Owners argue that Bayer CropScience NV and Bayer CropScience AG “are two separate and independent companies.” *Id.*

More specifically, as to Patent Owners' first argument that identity of ownership is required for patents to be “commonly owned” in the context of nonstatutory double patenting, Patent Owners argue that although the portion of MPEP § 804 quoted by the Examiner does not define “commonly owned,” MPEP § 706.02(1)(2)(1) does define the term, stating that “[t]he term ‘commonly owned’ is intended to mean that the subject matter which would otherwise be prior art to the claimed invention and the claimed invention are entirely or wholly owned by the same person(s) or organization(s) business entity(ies).” Appeal Br. 12–13 (emphasis omitted). Patent Owners argue that this section of the MPEP goes on to provide a hypothetical example to illustrate the meaning of “commonly owned”: if Company A owns twenty percent of Application X and Company B owns eighty percent of Application X, then patent Z is not commonly owned with Application X unless both Company A and Company B own patent Z. MPEP § 706.02(1)(2)(1) (second paragraph). Appeal Br. 13. In the present case, Patent Owners argue, “Biogen has an ownership interest in the Leemans patent[s] but Biogen has nothing to do with the Strauch patents.

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Thus, according to the hypothetical in the MPEP, the Leemans and Strauch patents are not commonly owned.” Appeal Br. 13 (emphasis omitted).

The Examiner responds to this argument by taking the position that “MPEP § 706.02(l)(2)(1) pertains to how prior art may be disqualified under pre-AIA 35 U.S.C. § 103, and is not pertinent to double patenting rejections.” Ans. 15.

Patent Owners argue, however, that contrary to the Examiner’s assertion, MPEP § 1490(VI)(A) links the definition of “commonly owned” set forth in MPEP § 706.02(l)(2)(1) to double patenting by stating that: “A terminal disclaimer filed to obviate a non-statutory *double patenting* rejection based on a *commonly owned patent* or application must comply with the requirements of 37 CFR 1.321(c). The terminal disclaimer must state that any patent granted on the application being examined will be enforceable only for and during the period that it and the patent to which the disclaimer is directed or the patent granted on the application to which the disclaimer is directed are *commonly owned*. *See MPEP § 706.02(1)(2) for examples of common ownership, or lack thereof.*” Appeal Br. 13.

Patent Owners argue that, therefore, “the USPTO’s own published guidance in the MPEP defines the term ‘commonly owned’ to mean identical ownership, and directly links that definition in one section of the MPEP to apply to the MPEP section on double patenting.” Appeal Br. 13–14.

Patent Owners further argue that a decision by the Board of Patent Appeals and Interferences in *Ex parte Brookhart* supports this position. Appeal Br. 15–16; *Ex parte Brookhart*, Appeal No. 2005-2463 (BPAI Sept.

19, 2005) (Appeal Br. Ex. 13). The patent application at issue in *Brookhart* was “co-owned by both [University of North Carolina] and DuPont,” while the reference “Bennett patent [was] assigned solely to DuPont.” *Brookhart* 4. The “fundamental” issue before the Board was whether the *Brookhart* application and the Bennett patent were “currently ‘commonly owned’ for purposes of applying an obviousness-type double patenting rejection.” *Brookhart* 4–5. The Board determined that “MPEP § 1490, which relates to the filing of a terminal disclaimer for the purpose of obviating a double patenting rejection of the obviousness type, explicitly [sic] links the meaning of common ownership in a double patenting context to the definition in MPEP § 706.02(1)(2),” which, the Board indicated, “is dispositive of the issue before us.” *Brookhart* 6. The Board concluded that “the double patenting rejection at issue is inappropriate because the Bennett patent and [Patent Owners’] application are not ‘commonly owned’ as defined in MPEP § 706.02(1)(2).” *Id.*

Patent Owners argue that “*Brookhart* was correctly decided and the reasoning of the Board in that case should be followed here.” Appeal Br. 16. Patent Owners further argue that *Brookhart* is consistent with the District Court of Delaware’s decision in *Novartis Pharms. Corp. v. Noven Pharms. Inc.*, 125 F. Supp. 3d 474 (D. Del., Aug. 31, 2015) (Appeal Br. Ex. 14). Appeal Br. 16–17. In *Novartis*, an accused infringer (Noven) argued that the asserted claims of the patent at issue (the ’031 patent) were invalid for obviousness-type double patenting over claims of an issued patent (the ’176 patent). *Novartis*, 125 F. Supp. 3d at 476. Although the patent at issue (the ’031 patent) and the reference patent (the ’176 patent) had no inventors in

common, the patent at issue (the '031 patent) was jointly owned by Novartis AG and LTS, while the reference patent (the '176 patent) was solely owned by Novartis AG. *Novartis*, 125 F. Supp. 3d at 486–87. Accused infringer Noven argued that both patents were “commonly owned” for the purposes of obviousness-type double patenting because they shared Novartis AG as a common assignee. *Id.* The court, however, held that the patent at issue (the '031 patent) was not commonly owned with the reference patent (the '176 patent). *Id.* The court based its decision on the definition in MPEP § 706.02(l) of “common ownership” as “entirely or wholly owned by the same person(s) or organization(s).” *Id.* The court explained that “obviousness-type double patenting fails as a matter of law because the '176 patent and '031 patent were not filed by the same inventive entity, have no inventors in common, and are not entirely owned by the same entity.” *Novartis*, 125 F. Supp. 3d at 487 (citing *Hubbell*, 709 F.3d at 1146–48).

The Examiner does not respond to Patent Owners’ arguments directed to the *Novartis* decision. *See generally* Ans. The Examiner, however, does indicate that “[a]s a non-precedential decision, *Brookhart* is not binding precedent on the Office.” Ans. 31. The Examiner further indicates that “[a]ny persuasive value *Brookhart* might have is undercut by its contradiction of the controlling precedent such as seen in *In re Dinwiddie*, 347 F.2d 1016 (CCPA 1965).” *Id.*

We do not agree with the Examiner, however, that *Dinwiddie* is “controlling precedent.” In *Dinwiddie*, the rejection at issue was a “double patenting rejection . . . in the ‘common assignee’ category by tacit agreement of the parties.” *Dinwiddie*, 347 F.2d at 1017. The court “assume[d]

common ownership” of the application at issue and a reference patent applied in the double patenting rejection because “the case seems to have proceeded on this assumption and no one disputes it.” *Id.* The court indicated, however, that common ownership “is not substantiated by the record and may not in fact exist.” *Id.* Contrary to the Examiner’s assertion, *Dinwiddie*, therefore, does not control in the present case because the court assumed that the application at issue and the reference patent were commonly owned for the purpose of reviewing and analyzing a nonstatutory double patenting rejection, rather than initially determining on the merits whether such common ownership actually existed.

Nonetheless, for disposition of the present appeal, we need not decide whether “commonly owned” in the context of nonstatutory double patenting requires identity of ownership as Patent Owners argue, or does not require identity of ownership as the Examiner asserts. For reasons discussed below, Patent Owners’ second argument asserting lack of overlap in ownership between the Leemans ’962 patent and the Strauch patents identifies reversible error in the Examiner’s rejection.

As discussed above, Patent Owners argue that Bayer CropScience NV, a co-owner (with Biogen Idec MA Inc.) of the Leemans ’962 patent, and Bayer CropScience AG, the sole owner of the Strauch patents, “are two separate and independent companies,” and, therefore, no overlap in ownership exists between the Leemans ’962 and Strauch patents. Appeal Br. 8. Elaborating on this argument, Patent Owners contend that, as a matter of law, contrary to the Examiner’s position (discussed above), although Bayer AG owns 100% of the shares of its subsidiaries Bayer CropScience

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NV and Bayer CropScience AG, Bayer AG does not own the assets—including the patents—of either company. Appeal Br. 26.

Patent Owners argue that under *Akazawa v. Link New Tech. International Inc.*, 520 F.3d 1354, 1357–58 (Fed. Cir. 2008) (Appeal Br. Ex. 17) the controlling law for determining patent ownership is governed by the “law of the location of the owner/assignee.” Appeal Br. 26. Patent Owners argue that, therefore, because Bayer CropScience AG “is a German company, organized under German law,” ownership of patents assigned to Bayer CropScience AG is “governed by German law.” *Id.* Patent Owners argue that, as explained in the Declaration of Hans Christoph Grigoleit (Appeal Br. Ex. 18), “[u]nder German law, a subsidiary stock corporation (‘AG’) still owns the assets (including patents) owned by it, even if 100% owned by a parent corporation.” Appeal Br. 26–27; Grigoleit Declaration ¶ 7 (“As long as an AG retains its status as an AG . . . its assets will be allocated to the AG itself, whatever the structure of the corporate affiliation may be like. Even a subsidiary AG whose parent corporation owns 100 % of its stock is recognized as a separate legal person in terms of German corporate law. The parent corporation does not share ownership of the subsidiary’s assets based on it owning 100% of the shares.”). Patent Owners argue that, therefore, Bayer CropScience AG, rather than Bayer AG, owns the patents assigned to Bayer CropScience AG, including the Strauch patents. Appeal Br. 27.

Similarly, Patent Owners argue that under *Akazawa*, because Bayer CropScience NV “is a Belgian company,” ownership of patents assigned to Bayer CropScience NV is “governed by Belgian law.” Appeal Br. 27.

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Patent Owners argue that, as explained in the Declaration of Hans De Wulf (Appeal Br. Ex. 19), under Belgian law, “patents or other assets owned by an NV are owned by the legal person that is the corporation, not by the shareholders of that corporation.” Appeal Br. 27 (citing De Wulf Declaration § 1, ¶ 2). Patent Owners argue that, therefore, under Belgian law, Bayer CropScience NV, rather than Bayer AG, owns the patents assigned to Bayer CropScience NV, including the Leemans ’962 patent. Appeal Br. 27.

Patent Owners argue that although U.S. law should not be applied to determine ownership of the Leemans ’962 and Strauch patents, even if U.S. law were applied, Bayer AG would have “no ownership rights” in either patent. Appeal Br. 28. Patent Owners rely on numerous court decisions to support this argument, including the Supreme Court’s decision in *Dole Food Co. v. Patrickson*, 538 U.S. 468, 474–75 (2003) (Appeal Br. Ex. 20), where the Court indicated that “[a] corporate parent which owns the shares of a subsidiary does not, for that reason alone, own or have legal title to the assets of the subsidiary.” Appeal Br. 29.

Patent Owners also point out that in *Digitech Image Techs., LLC v. Newegg Inc.*, No. 2:12-c-01688, 2013 WL 1871513 (C.D. Cal. May 3, 2013) (Appeal Br. Ex. 21) the Central District of California relied on the Federal Circuit’s decision in *Abraxis Bioscience, Inc. v. Navinta LLC*, 625 F.3d 1359, 1366 (Fed. Cir. 2010) when holding that the “fact that a corporate parent’s subsidiary owns a patent is not enough to establish that the parent has a legal ownership interest in the subsidiary’s patent.” Appeal Br. 29; *Digitech*, at *4. In *Abraxis*, the Federal Circuit explained that “[c]ommon

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corporate structure does not overcome the requirement that even between a parent and a subsidiary, an appropriate written assignment is necessary to transfer legal title [of a patent] from one to the other.” *Abraxis*, 625 F.3d at 1366.

Patent Owners further rely on the District Court of Nevada’s decision in *Email Link Corp. v. Treasure Island, LLC*, No. 2:11-cv-01433-ECR-GWF, 2012 WL 4482576 (D. Nev. Sept. 25, 2012) (Appeal Br. Ex. 22) in which the court indicated that “Plaintiff’s argument that both the ‘176 Patent, owned by Plaintiff Email Link, and the ‘789 Patent, owned by Online New Link, are owned by Acacia by virtue of its 100% ownership of Email Link and Online News Link goes against a ‘basic tenet of American corporate law . . . that the corporation and its shareholders are distinct entities. . . . A corporate parent which owns the shares of a subsidiary does not, for that reason alone, own or have legal title to the assets of the subsidiary.” *Email Link* at *4 (quoting *Dole Food Co. v. Patrickson*, 538 U.S. 468, 474–75 (2003)); Appeal Br. 29–30. The court further explained that “in the patent context, the Federal Circuit has applied this basic principle of American corporate law to hold that once a parent company assigned a patent to its subsidiary, the parent no longer had rights in the patent, even though it controlled the subsidiary.” *Email Link* at *4 (citing *Schreiber Foods, Inc. v. Beatrice Cheese, Inc.*, 402 F.3d 1198, 1200–03 (Fed. Cir. 2005) (finding that Plaintiff lost standing to sue when it assigned the patent at issue to its subsidiary)).

Finally, Patent Owners argue that in *Optimal Golf Solutions, Inc. v. Altex Corp.*, No. 3:09-CV-1403-K, 2015 WL 93434, at *3 (N.D. Tex. Jan.

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7, 2015) (Appeal Br. Ex. 23), the Northern District of Texas, citing *Dole Food*, “found that a license granted to a patent owned by the licensor’s subsidiary, not the purported licensor, was invalid because the purported licensor did not own the patent of its subsidiary, and therefore had no right to license it.” Appeal Br. 30; *see also Optimal Golf* at *3 (“[m]erely because OGSi is a wholly owned subsidiary of GPS does not in and of itself confer all substantial rights of the ‘093 patent on GPS.”).

Patent Owners argue that, accordingly, under the above U.S. legal authority, a “parent company does not own or have legal [title] to its subsidiary’s patents even when the subsidiary company is incorporated in a U.S. jurisdiction.” Appeal Br. 29 (emphasis omitted).

The Examiner responds to Patent Owners’ arguments by stating that Patent Owners’ “choice of law argument has no merit facing the present issue. Usually choice of law comes [into] play when a corporate entity is held liable for the action of subsidiaries in tort or under other liability cause of action. Here the Office is not asserting the Appellant is liable for the activity of its subsidiaries in tort or should have standing in litigation.” Ans. 37.

A fundamental issue in the present case, however, is whether the Leemans ’962 and Strauch patents are “commonly owned,” so as to provide a legal basis for the Examiner’s obviousness-type double patenting rejection. Consequently, contrary to the Examiner’s position that “choice of law . . . has no merit facing the present issue,” identifying the correct legal standard for determining ownership of the Leemans ’962 and Strauch patents is critical to the present case. *Id.* By summarily dismissing Patent Owners’

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“choice of law” arguments, the Examiner does not squarely address Patent Owners’ analysis of the appropriate law to apply for determining whether the Leemans ’962 and Strauch patents are “commonly owned.”

The Examiner further responds to Patent Owners’ arguments by stating that the “cases [cited by Patent Owners] are not relevant to judicially created nonstatutory double patenting. None of these cases even remotely considered the issue of nonstatutory double patenting, and the public policy that underlies it and that issue was never before the tribunals.” Ans. 35.

The cases cited by Patent Owners, however, are highly relevant to determining whether the Leemans ’962 and Strauch patents are “commonly owned.” In summarily dismissing these cases, the Examiner does not directly address Patent Owners’ argument that under *Akazawa*, the controlling legal authority for determining ownership of the Strauch patents is German law, and the controlling legal authority for determining ownership of the Leemans ’962 patent is Belgian law. Nor does the Examiner cite any binding, countervailing legal authority that contradicts *Akazawa*, or that contradicts the Declaration evidence provided by Patent Owners indicating that under Belgian and German law, respectively, Bayer CropScience NV, rather than Bayer AG, is the co-owner (with Biogen Idec MA Inc.) of the Leemans ’962 patent, and Bayer CropScience AG, rather than Bayer AG, is the owner of the Strauch patents.

The Examiner also responds to Patent Owners’ arguments by contending that the court’s reasoning in *Email Link* “was not followed by a different district court.” Ans. 36. According to the Examiner, in *Goss International*, the District Court of New Hampshire determined that “the

common ownership requirements are met when the parent company owns 100% shares of its two wholly owned subsidiaries.” Ans. 36 (citing *Goss Int’l Americas, Inc. v. MAN Roland, Inc.*, No. Civ. 03–CV–513–SM, 2006 WL 1360020, at *1–2 (D.N.H. May 2, 2006). The Examiner contends that, “based on the holding in *Goss*, Bayer AG, by virtue of 100% ownership of the subsidiaries, is considered a common owner of [Leemans ’962 and Strauch] patents.” Ans. 36.

The Examiner appears to misapprehend the factual situation at issue in *Goss*, however. The “question of first impression” decided by the court in *Goss* was “whether a patent owned by a parent company and a patent owned by a wholly owned subsidiary are ‘commonly owned’ for purpose of a terminal disclaimer filed to overcome an obviousness-type double[] patenting rejection.” *Goss*, at *1. The court in *Goss*, therefore, did not address whether a parent company is considered a “common owner” of patents assigned to two wholly-owned subsidiaries of the parent company, as the Examiner appears to assert. Ans. 36. Contrary to the Examiner’s assertion, the court’s holding in *Goss*, therefore, does not constitute either binding or informative legal authority that supports the Examiner’s position that “Bayer AG, by virtue of 100% ownership of the subsidiaries, is considered a common owner of [Leemans ’962 and Strauch] patents.” Ans. 36.

The Examiner further responds to Patent Owners’ arguments by referring to the Supreme Court’s decision in *Copperweld Corp. v. Indep. Tube Corp.*, 467 U.S. 752, 771 (1984), where the Court stated that “[w]ith or without a formal ‘agreement,’ the subsidiary acts for the benefit of the

parent.” Ans. 34–35. The Examiner contends that under this reasoning, “Bayer AG has a unity of interest with its subsidiaries and is a beneficial owner of its subsidiaries’ patents,” and, therefore, Bayer AG “is a common owner of the Leemans and Strauch patent for purposes of non-statutory double patenting.” Ans. 35.

We point out that the Court in *Copperweld* addressed the antitrust law issue of whether a parent corporation and its wholly owned subsidiary were legally capable of conspiring with each other under § 1 of the Sherman Act. The Court determined that “the coordinated activity of a parent and its wholly owned subsidiary must be viewed as that of a single enterprise *for purposes of § 1 of the Sherman Act.*”¹¹ *Copperweld*, 467 U.S. at 771 (emphasis added).

The Court in *Copperweld* did not address the legal requirements for establishing whether two patents are “commonly owned” for purposes of non-statutory, obviousness-type double patenting. Contrary to the Examiner’s assertion (Ans. 34–35), the Court’s reasoning in *Copperweld*, therefore, does not establish that Bayer AG “is a common owner of the Leemans and Strauch patent for purposes of non-statutory double patenting.”

¹¹ Section 1 of the Sherman Act provides that: “Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal. Every person who shall make any contract or engage in any combination or conspiracy hereby declared to be illegal shall be deemed guilty of a felony, and, on conviction thereof, shall be punished by fine not exceeding \$100,000,000 if a corporation, or, if any other person, \$1,000,000, or by imprisonment not exceeding 10 years, or by both said punishments, in the discretion of the court.” 15 U.S.C. § 1.

In further response to Patent Owners’ arguments, the Examiner reiterates the position set forth in the Final Action that Bayer’s “common ownership” of the Leemans ’962 and Strauch patents results “in an unjustified time-wise extension of Bayer AG’s right to exclude others from practicing the invention” and poses “a significant risk of ‘harassment by multiple assignees.” Ans. 40–41.

Obviousness-type double patenting is grounded on the policy justifications of “prevent[ing] unjustified timewise extension of the right to exclude granted by a patent no matter how the extension is brought about . . . [and] prevent[ing] multiple infringement suits by different assignees asserting essentially the same patented invention.” *Hubbell*, 709 F.3d at 1145 (citing *In re Van Ornum*, 686 F.2d 937, 943–44 (CCPA 1982) and *In re Fallaux*, 564 F.3d 1313, 1310 (Fed. Cir. 2009)). While we appreciate the Examiner’s cogent analysis of the policy justifications in the context of a benefit potentially incurred by a parent corporation when patents separately owned by two sister corporations are simultaneously enforced, on the record before us, we are not persuaded that the underlying policy justifications for obviousness-type double patenting show that parent company Bayer AG is a common owner of the two patents.

As Patent Owners point out (Appeal Br. 42–44), the Federal Circuit, in a related case, explicitly indicated that courts have not yet considered “the policies that underlie” obviousness-type double patenting in the particular context of determining whether common ownership exists under the present factual situation, in which “[t]he Leemans [’962] and Strauch patents, having originated from separate inventors and unrelated companies (Hoechst

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AG and Plant Genetic Systems), are now held by sibling companies.” *Bayer CropScience AG v. Dow Agrosciences LLC*, 680 F. App’x 985, 995 (Fed. Cir. 2017).

This statement by the Federal Circuit occurred in the court’s decision on Dow Agrosciences’ appeal of the Eastern District of Virginia’s confirmation of an international arbitration tribunal’s determination that the Leemans ’962 patent was not invalid for obviousness-type double patenting over the Strauch patents. *Dow*, 680 F. App’x at 988–90. In this decision, the Federal Circuit explained that Dow had argued to the arbitration tribunal that the Leemans ’962 patent was invalid for obviousness-type double patenting over the Strauch patents, “contending that the patents were commonly owned by Bayer AG, the parent company of Bayer CropScience AG (owner of the Strauch patents) and Bayer CropScience NV (owner or co-owner of the Leemans patents).” *Dow*, 680 F. App’x at 988–94. The Federal Circuit indicated that the arbitration tribunal had concluded that the patents were not commonly owned because Bayer CropScience AG and Bayer CropScience NV “were different entities and Dow had not provided sufficient evidence to pierce the corporate veil separating them.” *Id.* In affirming the district court’s confirmation of the arbitration tribunal’s decision, the Federal Circuit indicated that “[w]e cannot say that the tribunal’s conclusion is contrary to public policy or reflects a manifest disregard of the law under the strict standards governing such challenges.” *Id.* at 994–95.

The Federal Circuit explained that because obviousness-type double patenting is a judicially-created corollary to statutory double patenting,

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which itself is a “judicial gloss” on 35 U.S.C. § 101, the “authoritative source of law in this area is therefore judicial precedent.” *Id.* at 995. The Federal Circuit indicated that “while the courts may someday reach the present situation, they have not yet done so.” *Id.* The court noted, however, that a “district-court decision concerning terminal-disclaimer law supports Bayer, not Dow, on this issue.” *Id.* at n.2 (citing *Email Link Corp. v. Treasure Island, LLC*, No. 2:11-cv-1433-ECR-GWF, 2012 WL 4482576 (D. Nev. Sept. 25, 2012)).

The Federal Circuit further explained that “[n]o precedent cited to the tribunal, or to us, considers and resolves in Dow’s favor the doctrinal questions presented by this situation, including those addressed to the policies that underlie the doctrine—the unjustified extension of exclusivity rights against the public and the potential for separate assignee suits enforcing the same rights.” *Id.* (citing *Geneva Pharms., Inc. v. GlaxoSmithKline PLC*, 349 F.3d 1373, 1378 (Fed. Cir. 2003), *Hubbell*, 709 F.3d at 1145). The court concluded that “[w]ith the doctrinal question as unsettled as it is for the present circumstances, the tribunal’s rejection of Dow’s double-patenting challenge cannot be declared a manifest disregard of law or contrary to public policy.” *Id.*

Accordingly, as the Federal Circuit indicated in *Dow*, the policy justifications underlying obviousness-type double patenting alone do not warrant a conclusion that the Leemans ’962 and Strauch patents are commonly owned by Bayer AG. Thus, for similar reasons to those relied upon in the *Dow* arbitration decision, the legal authority and evidence Patent Owners rely on to support their position that an overlap in ownership does

not exist between the Leemans '962 and Strauch patents is more persuasive than the Examiner's public policy justification. We are not persuaded that Bayer AG's alleged "beneficial ownership" of the Leemans '962 and Strauch patents alone is sufficient to render the Leemans '962 and Strauch patents "commonly owned" for the purposes of obviousness-type double patenting. Nor are we persuaded that the underlying policy justifications for obviousness-type double patenting show common ownership.¹²

Therefore, we are persuaded of error in the Examiner's determination that the Leemans '962 and Strauch patents are "commonly owned." Consequently, because it is undisputed on the record before us that the Leemans '962 and Strauch patents do not share any inventors in common,

¹² We note that our holding is consistent with intervening case law from the Federal Circuit in *Immunex Corp. v. Sandoz Inc.*, No. 2020-1037, 2020 WL 3556098, slip op. at 9–15 (Fed. Cir. July 1, 2020). In *Immunex*, the Court looked favorably on an "all substantial rights test" indicating it "appears consistent with both principles underlying obviousness-type double patenting" in evaluating when patents are considered "'commonly owned' for [the] purposes of obviousness-type double patenting" *Id.* at 6. The Court concluded that "the right to prosecute the patent at issue" is informative such that where "a party ultimately controls prosecution of both sets of patents [the patentee is prevented] the unjustifiable issuance of claims that are patentably indistinct from claims already owned by that party." *Id.* (emphasis omitted). In *Immunex*, not all substantial rights were conferred to a single owner, despite the transfer of some rights to the prior art patent owner. Rather, in *Immunex*, the patent owner retained key rights in the agreement. *Id.* at 18. In the present case, however, Patent Owners have established that *no* ownership rights are held by the parent company Bayer AG. Indeed, Bayer AG would not have the authority to file a reexamination application of either the Leemans '962 or Strauch patents. Thus, despite some benefit Bayer AG may have by holding shares of both sister companies, Bayer AG cannot be a common owner.

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the Examiner does not establish a basis for rejecting claim 1 of the Leemans '962 patent for obviousness-type double patenting over the applied claims of the Strauch patents.

We, accordingly, do not sustain the Examiner's rejections of claim 1 of the Leemans '962 patent for nonstatutory double patenting over the applied claims of the Strauch patents.

CONCLUSION

Claim	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
1	Nonstatutory double patenting	Strauch '894		1
1	Nonstatutory, obviousness-type double patenting	Strauch '894, Kozak, Reddy, Nisbet		1
1	Nonstatutory double patenting	Strauch '268		1
Overall Outcome				1

REVERSED

rwk

Appeal 2020-002922
Reexamination Control 90/013,394, 90/013,515, and 90/013,563
Patent RE44,962 E

Appeal 2020-002922
Reexamination Control 90/013,394, 90/013,515, and 90/013,563
Patent RE44,962 E

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/013,515	06/01/2015	RE44962	2428-0160L	5115

2292 7590 09/30/2020
BIRCH STEWART KOLASCH & BIRCH, LLP
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Falls Church, VA 22042-1248

EXAMINER

PONNALURI, PADMASHRI

ART UNIT	PAPER NUMBER
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3991

MAIL DATE	DELIVERY MODE
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09/30/2020

PAPER

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/013,394	11/07/2014	RE44,962 E	2428-0155L	8403
2292	7590	09/30/2020	EXAMINER	
BIRCH STEWART KOLASCH & BIRCH, LLP			PONNALURI, PADMASHRI	
8110 Gatehouse Road			ART UNIT	
Suite 100 East			PAPER NUMBER	
Falls Church, VA 22042-1248			3991	
			MAIL DATE	
			DELIVERY MODE	
			09/30/2020	
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/013,563	08/07/2015	RE44962	2428-0161L	7929
2292	7590	09/30/2020	EXAMINER	
BIRCH STEWART KOLASCH & BIRCH, LLP			PONNALURI, PADMASHRI	
8110 Gatehouse Road			ART UNIT	
Suite 100 East			PAPER NUMBER	
Falls Church, VA 22042-1248			3991	
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			09/30/2020	
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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte BAYER CROPSCIENCE NV and BIOGEN IDEC MA, INC.
Patent Owners and Appellants

Appeal 2020-002922
Reexamination Control 90/013,394, 90/013,515, and 90/013,563
Patent RE44,962 E
Technology Center 3900

Before RICHARD M. LEBOVITZ, RAE LYNN P. GUEST, and
JANE E. INGLESE, *Administrative Patent Judges*.

INGLESE, *Administrative Patent Judge*.

DECISION ON APPEAL

This appeal stems from third-party requests filed November 7, 2014, June 1, 2015, and August 7, 2015 for *ex parte* reexamination of U.S. patent RE44,962 E (“the Leemans ’962 patent”).¹ The Patent Office granted each request for *ex parte* reexamination, and subsequently merged the three *ex parte* reexaminations into a single proceeding under 37 C.F.R. 1.565(c).

Bayer CropScience NV and Biogen Idec MA, Inc. (“Patent Owners”), the owners of the Leemans ’962 patent, appeal² the Examiner’s final rejection of claim 1 in the merged *ex parte* reexamination proceeding.³ We

¹ The first-named inventor of U.S. patent RE44,962 E is Jan Leemans.

² Appeal Brief filed March 8, 2019 (“Appeal Br.”).

³ Final Office Action entered August 8, 2018 (“Final Act.”).

have jurisdiction over the appeal under 35 U.S.C. §§ 134(b) and 306.

We REVERSE.

CLAIMED SUBJECT MATTER

The invention described in the '962 patent relates to a process for protecting plant cells and plants from the herbicidal action of glutamine synthetase inhibitors, and to DNA fragments and recombinants containing nucleotide sequences encoding resistance to glutamine synthetase inhibitors.

Col. 1, ll. 21–31. Claim 1, the sole claim on appeal, reads as follows:

1. An isolated DNA encoding a protein having phosphinothricin acetyltransferase activity, or a variant thereof retaining said activity, said protein comprising the amino acid sequence (SEQ ID No. 1):

X	Ser	Pro	Glu	Arg	Arg	Pro	Ala	Asp
Ile	Arg	Arg	Ala	Thr	Glu	Ala	Asp	MET
Pro	Ala	Val	Cys	Thr	Ile	Val	Asn	His
Tyr	Ile	Glu	Thr	Ser	Thr	Val	Asn	Phe
Arg	Thr	Glu	Pro	Gln	Glu	Pro	Gln	Glu
Trp	Thr	Asp	Asp	Leu	Val	Arg	Leu	Arg
Glu	Arg	Tyr	Pro	Trp	Leu	Val	Ala	Glu
Val	Asp	Gly	Glu	Val	Ala	Gly	Ile	Ala
Tyr	Ala	Gly	Pro	Trp	Lys	Ala	Arg	Asn
Ala	Tyr	Asp	Trp	Thr	Ala	Glu	Ser	Thr
Val	Tyr	Val	Ser	Pro	Arg	His	Gln	Arg
Thr	Gly	Leu	Gly	Ser	Thr	Leu	Tyr	Thr
His	Leu	Leu	Lys	Ser	Leu	Glu	Ala	Gln
Gly	Phe	Lys	Ser	Val	Val	Ala	Val	Ile

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Gly	Leu	Pro	Asn	Asp	Pro	Ser	Val	Arg
Met	His	Glu	Ala	Leu	Gly	Tyr	Ala	Pro
Arg	Gly	Met	Leu	Arg	Ala	Ala	Gly	Phe
Lys	His	Gly	Asn	Trp	His	Asp	Val	Gly
Phe	Trp	Gln	Leu	Asp	Phe	Ser	Leu	Pro
Val	Pro	Pro	Arg	Pro	Val	Leu	Pro	Val
Thr	Glu	Ile						

in which X is Met, said DNA consisting of between 549 and 625 nucleotides wherein X is encoded by ATG.

Appeal Br. Claims Appendix.

THE REJECTIONS

The Examiner maintains the following rejections in the Examiner's Answer entered November 26, 2019 ("Ans."):

I. Claim 1 for nonstatutory double patenting as anticipated by claim 5 of U.S. patent 5,273,894 ("the Strauch '894 patent");

II. Claim 1 for nonstatutory, obviousness-type double patenting over claim 5 of the Strauch '894 patent in view of Kozak,⁴ Reddy,⁵ and Nisbet;⁶ and

III. Claim 1 for nonstatutory double patenting as anticipated by claim 2 of U.S. patent 5,276,268 ("the Strauch '268 patent").

We collectively refer to the Strauch '894 patent and the Strauch '268 patent as "the Strauch patents" throughout the remainder of this Decision.

⁴ Kozak, 47 *Microbiological Rev.* 1 (1983).

⁵ Reddy, et al., 82 *Proc. Natl. Acad. Sci. USA* 5656 (1985).

⁶ Nisbet et al., 2 *Gene Anal. Techn.* 23 (1985).

DISCUSSION

We review appealed rejections for reversible error based on the arguments and evidence the Patent Owners provide for each issue the Patent Owners identify. 37 C.F.R. § 41.37(c)(1)(iv); *Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential) (cited with approval in *In re Jung*, 637 F.3d 1356, 1365 (Fed. Cir. 2011) (explaining that even if the Examiner had failed to make a prima facie case, “it has long been the Board’s practice to require an applicant to identify the alleged error in the examiner’s rejections”)).

Upon consideration of the evidence relied upon in this appeal and each of Patent Owners’ contentions,⁷ we reverse the Examiner’s rejections of claim 1 for nonstatutory double patenting, for reasons set forth in the Appeal and Reply Briefs,⁸ and discussed below.

The application that issued as the Leemans ’962 patent (application 07/525,300, filed May 17, 1990) is a reissue of U.S. patent 7,112,665, which issued from application 08/465,219, which is a division of application 07/525,300, filed May 17, 1990, which is a continuation of application 07/131,140, filed November 5, 1987.⁹ The Leemans ’962 patent issued on

⁷ Although Patent Owners filed a request for oral hearing on May 8, 2020, the Patent Office denied the request because it was not timely filed within two months from the date of the Examiner’s Answer. Notification of Non-Compliant Request for Oral Hearing, entered July 9, 2020.

⁸ Reply Brief filed May 8, 2020.

⁹ Application 07/131,140 is a continuation of application PCT/EP87/00141, filed March 11, 1987. It is unclear on the record before us, and we need not opine on, whether the Leemans ’962 patent is entitled to the benefit of the filing date of application PCT/EP87/00141 for purposes of determining the

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June 24, 2014, and will expire on September 26, 2023.¹⁰ 35 U.S.C.
§ 154(c)(1).

The application that issued as the Strauch '894 patent (application 07/795,275, filed November 20, 1991) is a continuation of application 07/605,131, filed October 31, 1990, which is a continuation of application 07/088,118, filed August 21, 1987. The Strauch '894 patent issued on December 28, 1993, and expired on December 28, 2010.

The application that issued as the Strauch '268 patent (application 07/736,316, filed July 29, 1991) is a continuation-in-part of application 07/501,314, filed March 26, 1990, which is a continuation of application 07/145,302, filed January 19, 1988 and a continuation of application 07/605,131, filed October 31, 1990, which is a continuation of application 07/088,118, filed August 21, 1987. The Strauch '268 patent issued on January 4, 1994, and expired on January 4, 2011.

The earliest effective U.S. filing date of the Leemans '962 patent thus appears to be November 5, 1987, which is later than the apparent earliest effective U.S. filing date of the Strauch '894 patent (August 21, 1987), but the Strauch '894 patent issued before the Leemans '962 patent, and expired numerous years (December 28, 2010) before the expiration date of the Leemans '962 patent (September 26, 2023).

Similarly, the earliest effective U.S. filing date of the Leemans '962 patent (November 5, 1987) is later than the earliest effective U.S. filing date of the Strauch '268 patent (August 21, 1987), but the Strauch '268 patent

earliest effective U.S. filing date of the Leemans '962 patent. *See* MPEP § 804(I)(B)(1)(a).

¹⁰ U.S. patent 7,112,665 issued on September 26, 2006.

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issued before the Leemans '962 patent, and expired numerous years (January 4, 2011) before the expiration date of the Leemans '962 patent (September 26, 2023).

Patent Owners indicate (Appeal Br. Ex. 6; *see also* Appeal Br. 12), and the Examiner confirms (Final Act. 5), that the application leading to the Leemans '962 patent was jointly assigned from the inventors to Plant Genetic Systems NV and Biogen NV. Plant Genetic Systems NV subsequently changed its name to Aventis CropScience NV, which changed its name to Bayer CropScience NV, which changed its name to Bayer BioScience NV, which changed its name to Bayer CropScience NV. Biogen NV changed its name to Biogen Inc., which changed its name to Biogen Idec MA Inc. It is undisputed on the record before us, therefore, that the Leemans '962 patent is currently assigned to both Bayer CropScience NV and Biogen Idec MA Inc. *Compare* Final Act. 5, *with* Appeal Br. 12.

Patent Owners also indicate (Appeal Br. Ex. 6; *see also* Appeal Br. 12), and the Examiner generally confirms (Final Act. 5), that the applications leading to the Strauch patents were assigned from the inventors to Hoechst AG, which changed its name to Hoechst Schering AgrEvo GmbH, which changed its name to Aventis CropScience GmbH, which changed its name to Bayer CropScience GmbH, which changed its name to Bayer CropScience AG. It is undisputed on the record before us, therefore, that the Strauch patents are currently assigned to Bayer CropScience AG. *Compare* Final Act. 5, *with* Appeal Br. 12.

Patent Owners implicitly acknowledge that the claims of the Strauch patents cover species of the genus claimed in the Leemans '962 patent.

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Appeal Br. 36–37; *see also* Declaration of Ted M. Sichelman filed May 19, 2017, ¶¶ 80, 81 (Appeal Br. Ex. 15).

Patent Owners and the Examiner agree that the Leemans ’962 patent and the Strauch patents do not have any inventors in common. *Compare* Final Act. 6, *with* Appeal Br. 11. The Examiner determines, however, that because the Leemans ’962 patent is currently owned by Bayer CropScience NV and Biogen Idec MA, Inc., and the Strauch patents are currently owned by Bayer CropScience AG, and because Bayer CropScience NV and Bayer CropScience AG are wholly-owned subsidiaries of Bayer AG, Bayer AG is a “common owner/assignee” of the Leemans ’962 and Strauch patents. Final Act. 5–6, 12, 30–31. The Examiner determines that this common ownership provides a basis for nonstatutory double patenting under MPEP § 804, which states that “[b]efore consideration can be given to the issue of double patenting, two or more patents or applications must have at least one common inventor and/or be either commonly assigned/owned or non-commonly assigned/owned but subject to a joint research agreement.” Final Act. 6 (emphasis omitted).

The Examiner also determines that “[t]he sections of the MPEP discussing double patenting rejections also make it clear that ‘common’ does not mean ‘identical,’” because, for example, “MPEP 804(I)(A) states that double patenting may occur where two patents/applications were filed by ‘the same inventive entity, or by a different inventive entity having a common inventor, and/or by a common assignee/owner.’” Final Act. 6 (emphasis omitted). And, the Examiner determines, “MPEP 2127(IV) explains that ‘if an application that has not been published has an assignee or

inventor in common with the application being examined, a rejection will be proper in some circumstances. For instance, when the claims between the two applications are not independent or distinct, a provisional double patenting rejection is made.” *Id.*

The Examiner also determines that the “appropriateness of imposing a double patenting rejection based on Bayer’s common ownership of the Leemans ‘962 patent and the Strauch patents is further supported by public policy.” Final Act. 31 (citing *In re Hubbell*, 709 F.3d 1140, 1145 (Fed. Cir. 2013)). According to the Examiner, Bayer’s “common ownership” of the Leemans ‘962 and Strauch patents results “in an unjustified time-wise extension of Bayer’s right to exclude others from practicing the invention” because “any accused infringer of the species claims in the Strauch patents could still be subjected to the later issued genus claims in the Leemans ‘962 patent even after expiration of the Strauch patents.” Final Act. 31–32. The Examiner determines that, in addition, “there is a significant risk of ‘harassment by multiple assignees’ due to the common but not identical ownership of the [Leemans ‘962 and Strauch] patents.” Final Act. 32–33.

Patent Owners argue that “two separate and independent bases” exist for reversing the Examiner’s nonstatutory double patenting rejections. Appeal Br. 8. First, Patent Owners argue that the Leemans ‘962 patent and the Strauch patents are not “commonly owned” because ownership of the patents is not identical due to the fact that Biogen Idec MA, Inc. “has always been, and continues to be, a co-owner of the Leemans [‘962] patent, and at the same time does not have, and never has had, any patent ownership rights in the cited Strauch patents.” *Id.* (emphasis omitted).

Second, Patent Owners argue that the Leemans '962 and the Strauch patents are not “commonly owned” because “there is not, and never has been,” any overlap in ownership between Leemans '962 patent, which is co-owned by Bayer CropScience NV and Biogen Idec MA, Inc., and the Strauch patents, which are both owned by Bayer CropScience AG. *Id.* Patent Owners argue that Bayer CropScience NV and Bayer CropScience AG “are two separate and independent companies.” *Id.*

More specifically, as to Patent Owners' first argument that identity of ownership is required for patents to be “commonly owned” in the context of nonstatutory double patenting, Patent Owners argue that although the portion of MPEP § 804 quoted by the Examiner does not define “commonly owned,” MPEP § 706.02(1)(2)(1) does define the term, stating that “[t]he term ‘commonly owned’ is intended to mean that the subject matter which would otherwise be prior art to the claimed invention and the claimed invention are entirely or wholly owned by the same person(s) or organization(s) business entity(ies).” Appeal Br. 12–13 (emphasis omitted). Patent Owners argue that this section of the MPEP goes on to provide a hypothetical example to illustrate the meaning of “commonly owned”: if Company A owns twenty percent of Application X and Company B owns eighty percent of Application X, then patent Z is not commonly owned with Application X unless both Company A and Company B own patent Z. MPEP § 706.02(1)(2)(1) (second paragraph). Appeal Br. 13. In the present case, Patent Owners argue, “Biogen has an ownership interest in the Leemans patent[s] but Biogen has nothing to do with the Strauch patents.

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Thus, according to the hypothetical in the MPEP, the Leemans and Strauch patents are not commonly owned.” Appeal Br. 13 (emphasis omitted).

The Examiner responds to this argument by taking the position that “MPEP § 706.02(l)(2)(1) pertains to how prior art may be disqualified under pre-AIA 35 U.S.C. § 103, and is not pertinent to double patenting rejections.” Ans. 15.

Patent Owners argue, however, that contrary to the Examiner’s assertion, MPEP § 1490(VI)(A) links the definition of “commonly owned” set forth in MPEP § 706.02(l)(2)(1) to double patenting by stating that: “A terminal disclaimer filed to obviate a non-statutory *double patenting* rejection based on a *commonly owned patent* or application must comply with the requirements of 37 CFR 1.321(c). The terminal disclaimer must state that any patent granted on the application being examined will be enforceable only for and during the period that it and the patent to which the disclaimer is directed or the patent granted on the application to which the disclaimer is directed are *commonly owned*. *See MPEP § 706.02(1)(2) for examples of common ownership, or lack thereof.*” Appeal Br. 13.

Patent Owners argue that, therefore, “the USPTO’s own published guidance in the MPEP defines the term ‘commonly owned’ to mean identical ownership, and directly links that definition in one section of the MPEP to apply to the MPEP section on double patenting.” Appeal Br. 13–14.

Patent Owners further argue that a decision by the Board of Patent Appeals and Interferences in *Ex parte Brookhart* supports this position. Appeal Br. 15–16; *Ex parte Brookhart*, Appeal No. 2005-2463 (BPAI Sept.

19, 2005) (Appeal Br. Ex. 13). The patent application at issue in *Brookhart* was “co-owned by both [University of North Carolina] and DuPont,” while the reference “Bennett patent [was] assigned solely to DuPont.” *Brookhart* 4. The “fundamental” issue before the Board was whether the *Brookhart* application and the Bennett patent were “currently ‘commonly owned’ for purposes of applying an obviousness-type double patenting rejection.” *Brookhart* 4–5. The Board determined that “MPEP § 1490, which relates to the filing of a terminal disclaimer for the purpose of obviating a double patenting rejection of the obviousness type, explicitly [sic] links the meaning of common ownership in a double patenting context to the definition in MPEP § 706.02(1)(2),” which, the Board indicated, “is dispositive of the issue before us.” *Brookhart* 6. The Board concluded that “the double patenting rejection at issue is inappropriate because the Bennett patent and [Patent Owners’] application are not ‘commonly owned’ as defined in MPEP § 706.02(1)(2).” *Id.*

Patent Owners argue that “*Brookhart* was correctly decided and the reasoning of the Board in that case should be followed here.” Appeal Br. 16. Patent Owners further argue that *Brookhart* is consistent with the District Court of Delaware’s decision in *Novartis Pharms. Corp. v. Noven Pharms. Inc.*, 125 F. Supp. 3d 474 (D. Del., Aug. 31, 2015) (Appeal Br. Ex. 14). Appeal Br. 16–17. In *Novartis*, an accused infringer (Noven) argued that the asserted claims of the patent at issue (the ’031 patent) were invalid for obviousness-type double patenting over claims of an issued patent (the ’176 patent). *Novartis*, 125 F. Supp. 3d at 476. Although the patent at issue (the ’031 patent) and the reference patent (the ’176 patent) had no inventors in

common, the patent at issue (the '031 patent) was jointly owned by Novartis AG and LTS, while the reference patent (the '176 patent) was solely owned by Novartis AG. *Novartis*, 125 F. Supp. 3d at 486–87. Accused infringer Noven argued that both patents were “commonly owned” for the purposes of obviousness-type double patenting because they shared Novartis AG as a common assignee. *Id.* The court, however, held that the patent at issue (the '031 patent) was not commonly owned with the reference patent (the '176 patent). *Id.* The court based its decision on the definition in MPEP § 706.02(l) of “common ownership” as “entirely or wholly owned by the same person(s) or organization(s).” *Id.* The court explained that “obviousness-type double patenting fails as a matter of law because the '176 patent and '031 patent were not filed by the same inventive entity, have no inventors in common, and are not entirely owned by the same entity.” *Novartis*, 125 F. Supp. 3d at 487 (citing *Hubbell*, 709 F.3d at 1146–48).

The Examiner does not respond to Patent Owners’ arguments directed to the *Novartis* decision. *See generally* Ans. The Examiner, however, does indicate that “[a]s a non-precedential decision, *Brookhart* is not binding precedent on the Office.” Ans. 31. The Examiner further indicates that “[a]ny persuasive value *Brookhart* might have is undercut by its contradiction of the controlling precedent such as seen in *In re Dinwiddie*, 347 F.2d 1016 (CCPA 1965).” *Id.*

We do not agree with the Examiner, however, that *Dinwiddie* is “controlling precedent.” In *Dinwiddie*, the rejection at issue was a “double patenting rejection . . . in the ‘common assignee’ category by tacit agreement of the parties.” *Dinwiddie*, 347 F.2d at 1017. The court “assume[d]

common ownership” of the application at issue and a reference patent applied in the double patenting rejection because “the case seems to have proceeded on this assumption and no one disputes it.” *Id.* The court indicated, however, that common ownership “is not substantiated by the record and may not in fact exist.” *Id.* Contrary to the Examiner’s assertion, *Dinwiddie*, therefore, does not control in the present case because the court assumed that the application at issue and the reference patent were commonly owned for the purpose of reviewing and analyzing a nonstatutory double patenting rejection, rather than initially determining on the merits whether such common ownership actually existed.

Nonetheless, for disposition of the present appeal, we need not decide whether “commonly owned” in the context of nonstatutory double patenting requires identity of ownership as Patent Owners argue, or does not require identity of ownership as the Examiner asserts. For reasons discussed below, Patent Owners’ second argument asserting lack of overlap in ownership between the Leemans ’962 patent and the Strauch patents identifies reversible error in the Examiner’s rejection.

As discussed above, Patent Owners argue that Bayer CropScience NV, a co-owner (with Biogen Idec MA Inc.) of the Leemans ’962 patent, and Bayer CropScience AG, the sole owner of the Strauch patents, “are two separate and independent companies,” and, therefore, no overlap in ownership exists between the Leemans ’962 and Strauch patents. Appeal Br. 8. Elaborating on this argument, Patent Owners contend that, as a matter of law, contrary to the Examiner’s position (discussed above), although Bayer AG owns 100% of the shares of its subsidiaries Bayer CropScience

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NV and Bayer CropScience AG, Bayer AG does not own the assets—including the patents—of either company. Appeal Br. 26.

Patent Owners argue that under *Akazawa v. Link New Tech. International Inc.*, 520 F.3d 1354, 1357–58 (Fed. Cir. 2008) (Appeal Br. Ex. 17) the controlling law for determining patent ownership is governed by the “law of the location of the owner/assignee.” Appeal Br. 26. Patent Owners argue that, therefore, because Bayer CropScience AG “is a German company, organized under German law,” ownership of patents assigned to Bayer CropScience AG is “governed by German law.” *Id.* Patent Owners argue that, as explained in the Declaration of Hans Christoph Grigoleit (Appeal Br. Ex. 18), “[u]nder German law, a subsidiary stock corporation (‘AG’) still owns the assets (including patents) owned by it, even if 100% owned by a parent corporation.” Appeal Br. 26–27; Grigoleit Declaration ¶ 7 (“As long as an AG retains its status as an AG . . . its assets will be allocated to the AG itself, whatever the structure of the corporate affiliation may be like. Even a subsidiary AG whose parent corporation owns 100 % of its stock is recognized as a separate legal person in terms of German corporate law. The parent corporation does not share ownership of the subsidiary’s assets based on it owning 100% of the shares.”). Patent Owners argue that, therefore, Bayer CropScience AG, rather than Bayer AG, owns the patents assigned to Bayer CropScience AG, including the Strauch patents. Appeal Br. 27.

Similarly, Patent Owners argue that under *Akazawa*, because Bayer CropScience NV “is a Belgian company,” ownership of patents assigned to Bayer CropScience NV is “governed by Belgian law.” Appeal Br. 27.

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Patent Owners argue that, as explained in the Declaration of Hans De Wulf (Appeal Br. Ex. 19), under Belgian law, “patents or other assets owned by an NV are owned by the legal person that is the corporation, not by the shareholders of that corporation.” Appeal Br. 27 (citing De Wulf Declaration § 1, ¶ 2). Patent Owners argue that, therefore, under Belgian law, Bayer CropScience NV, rather than Bayer AG, owns the patents assigned to Bayer CropScience NV, including the Leemans ’962 patent. Appeal Br. 27.

Patent Owners argue that although U.S. law should not be applied to determine ownership of the Leemans ’962 and Strauch patents, even if U.S. law were applied, Bayer AG would have “no ownership rights” in either patent. Appeal Br. 28. Patent Owners rely on numerous court decisions to support this argument, including the Supreme Court’s decision in *Dole Food Co. v. Patrickson*, 538 U.S. 468, 474–75 (2003) (Appeal Br. Ex. 20), where the Court indicated that “[a] corporate parent which owns the shares of a subsidiary does not, for that reason alone, own or have legal title to the assets of the subsidiary.” Appeal Br. 29.

Patent Owners also point out that in *Digitech Image Techs., LLC v. Newegg Inc.*, No. 2:12-c-01688, 2013 WL 1871513 (C.D. Cal. May 3, 2013) (Appeal Br. Ex. 21) the Central District of California relied on the Federal Circuit’s decision in *Abraxis Bioscience, Inc. v. Navinta LLC*, 625 F.3d 1359, 1366 (Fed. Cir. 2010) when holding that the “fact that a corporate parent’s subsidiary owns a patent is not enough to establish that the parent has a legal ownership interest in the subsidiary’s patent.” Appeal Br. 29; *Digitech*, at *4. In *Abraxis*, the Federal Circuit explained that “[c]ommon

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corporate structure does not overcome the requirement that even between a parent and a subsidiary, an appropriate written assignment is necessary to transfer legal title [of a patent] from one to the other.” *Abraxis*, 625 F.3d at 1366.

Patent Owners further rely on the District Court of Nevada’s decision in *Email Link Corp. v. Treasure Island, LLC*, No. 2:11-cv-01433-ECR-GWF, 2012 WL 4482576 (D. Nev. Sept. 25, 2012) (Appeal Br. Ex. 22) in which the court indicated that “Plaintiff’s argument that both the ‘176 Patent, owned by Plaintiff Email Link, and the ‘789 Patent, owned by Online New Link, are owned by Acacia by virtue of its 100% ownership of Email Link and Online News Link goes against a ‘basic tenet of American corporate law . . . that the corporation and its shareholders are distinct entities. . . . A corporate parent which owns the shares of a subsidiary does not, for that reason alone, own or have legal title to the assets of the subsidiary.” *Email Link* at *4 (quoting *Dole Food Co. v. Patrickson*, 538 U.S. 468, 474–75 (2003)); Appeal Br. 29–30. The court further explained that “in the patent context, the Federal Circuit has applied this basic principle of American corporate law to hold that once a parent company assigned a patent to its subsidiary, the parent no longer had rights in the patent, even though it controlled the subsidiary.” *Email Link* at *4 (citing *Schreiber Foods, Inc. v. Beatrice Cheese, Inc.*, 402 F.3d 1198, 1200–03 (Fed. Cir. 2005) (finding that Plaintiff lost standing to sue when it assigned the patent at issue to its subsidiary)).

Finally, Patent Owners argue that in *Optimal Golf Solutions, Inc. v. Altex Corp.*, No. 3:09-CV-1403-K, 2015 WL 93434, at *3 (N.D. Tex. Jan.

7, 2015) (Appeal Br. Ex. 23), the Northern District of Texas, citing *Dole Food*, “found that a license granted to a patent owned by the licensor’s subsidiary, not the purported licensor, was invalid because the purported licensor did not own the patent of its subsidiary, and therefore had no right to license it.” Appeal Br. 30; *see also Optimal Golf* at *3 (“[m]erely because OGSi is a wholly owned subsidiary of GPS does not in and of itself confer all substantial rights of the ‘093 patent on GPS.”).

Patent Owners argue that, accordingly, under the above U.S. legal authority, a “parent company does not own or have legal [title] to its subsidiary’s patents even when the subsidiary company is incorporated in a U.S. jurisdiction.” Appeal Br. 29 (emphasis omitted).

The Examiner responds to Patent Owners’ arguments by stating that Patent Owners’ “choice of law argument has no merit facing the present issue. Usually choice of law comes [into] play when a corporate entity is held liable for the action of subsidiaries in tort or under other liability cause of action. Here the Office is not asserting the Appellant is liable for the activity of its subsidiaries in tort or should have standing in litigation.” Ans. 37.

A fundamental issue in the present case, however, is whether the Leemans ’962 and Strauch patents are “commonly owned,” so as to provide a legal basis for the Examiner’s obviousness-type double patenting rejection. Consequently, contrary to the Examiner’s position that “choice of law . . . has no merit facing the present issue,” identifying the correct legal standard for determining ownership of the Leemans ’962 and Strauch patents is critical to the present case. *Id.* By summarily dismissing Patent Owners’

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“choice of law” arguments, the Examiner does not squarely address Patent Owners’ analysis of the appropriate law to apply for determining whether the Leemans ’962 and Strauch patents are “commonly owned.”

The Examiner further responds to Patent Owners’ arguments by stating that the “cases [cited by Patent Owners] are not relevant to judicially created nonstatutory double patenting. None of these cases even remotely considered the issue of nonstatutory double patenting, and the public policy that underlies it and that issue was never before the tribunals.” Ans. 35.

The cases cited by Patent Owners, however, are highly relevant to determining whether the Leemans ’962 and Strauch patents are “commonly owned.” In summarily dismissing these cases, the Examiner does not directly address Patent Owners’ argument that under *Akazawa*, the controlling legal authority for determining ownership of the Strauch patents is German law, and the controlling legal authority for determining ownership of the Leemans ’962 patent is Belgian law. Nor does the Examiner cite any binding, countervailing legal authority that contradicts *Akazawa*, or that contradicts the Declaration evidence provided by Patent Owners indicating that under Belgian and German law, respectively, Bayer CropScience NV, rather than Bayer AG, is the co-owner (with Biogen Idec MA Inc.) of the Leemans ’962 patent, and Bayer CropScience AG, rather than Bayer AG, is the owner of the Strauch patents.

The Examiner also responds to Patent Owners’ arguments by contending that the court’s reasoning in *Email Link* “was not followed by a different district court.” Ans. 36. According to the Examiner, in *Goss International*, the District Court of New Hampshire determined that “the

common ownership requirements are met when the parent company owns 100% shares of its two wholly owned subsidiaries.” Ans. 36 (citing *Goss Int’l Americas, Inc. v. MAN Roland, Inc.*, No. Civ. 03–CV–513–SM, 2006 WL 1360020, at *1–2 (D.N.H. May 2, 2006). The Examiner contends that, “based on the holding in *Goss*, Bayer AG, by virtue of 100% ownership of the subsidiaries, is considered a common owner of [Leemans ’962 and Strauch] patents.” Ans. 36.

The Examiner appears to misapprehend the factual situation at issue in *Goss*, however. The “question of first impression” decided by the court in *Goss* was “whether a patent owned by a parent company and a patent owned by a wholly owned subsidiary are ‘commonly owned’ for purpose of a terminal disclaimer filed to overcome an obviousness-type double[] patenting rejection.” *Goss*, at *1. The court in *Goss*, therefore, did not address whether a parent company is considered a “common owner” of patents assigned to two wholly-owned subsidiaries of the parent company, as the Examiner appears to assert. Ans. 36. Contrary to the Examiner’s assertion, the court’s holding in *Goss*, therefore, does not constitute either binding or informative legal authority that supports the Examiner’s position that “Bayer AG, by virtue of 100% ownership of the subsidiaries, is considered a common owner of [Leemans ’962 and Strauch] patents.” Ans. 36.

The Examiner further responds to Patent Owners’ arguments by referring to the Supreme Court’s decision in *Copperweld Corp. v. Indep. Tube Corp.*, 467 U.S. 752, 771 (1984), where the Court stated that “[w]ith or without a formal ‘agreement,’ the subsidiary acts for the benefit of the

parent.” Ans. 34–35. The Examiner contends that under this reasoning, “Bayer AG has a unity of interest with its subsidiaries and is a beneficial owner of its subsidiaries’ patents,” and, therefore, Bayer AG “is a common owner of the Leemans and Strauch patent for purposes of non-statutory double patenting.” Ans. 35.

We point out that the Court in *Copperweld* addressed the antitrust law issue of whether a parent corporation and its wholly owned subsidiary were legally capable of conspiring with each other under § 1 of the Sherman Act. The Court determined that “the coordinated activity of a parent and its wholly owned subsidiary must be viewed as that of a single enterprise *for purposes of § 1 of the Sherman Act.*”¹¹ *Copperweld*, 467 U.S. at 771 (emphasis added).

The Court in *Copperweld* did not address the legal requirements for establishing whether two patents are “commonly owned” for purposes of non-statutory, obviousness-type double patenting. Contrary to the Examiner’s assertion (Ans. 34–35), the Court’s reasoning in *Copperweld*, therefore, does not establish that Bayer AG “is a common owner of the Leemans and Strauch patent for purposes of non-statutory double patenting.”

¹¹ Section 1 of the Sherman Act provides that: “Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal. Every person who shall make any contract or engage in any combination or conspiracy hereby declared to be illegal shall be deemed guilty of a felony, and, on conviction thereof, shall be punished by fine not exceeding \$100,000,000 if a corporation, or, if any other person, \$1,000,000, or by imprisonment not exceeding 10 years, or by both said punishments, in the discretion of the court.” 15 U.S.C. § 1.

In further response to Patent Owners' arguments, the Examiner reiterates the position set forth in the Final Action that Bayer's "common ownership" of the Leemans '962 and Strauch patents results "in an unjustified time-wise extension of Bayer AG's right to exclude others from practicing the invention" and poses "a significant risk of 'harassment by multiple assignees.'" Ans. 40–41.

Obviousness-type double patenting is grounded on the policy justifications of "prevent[ing] unjustified timewise extension of the right to exclude granted by a patent no matter how the extension is brought about . . . [and] prevent[ing] multiple infringement suits by different assignees asserting essentially the same patented invention." *Hubbell*, 709 F.3d at 1145 (citing *In re Van Ornum*, 686 F.2d 937, 943–44 (CCPA 1982) and *In re Fallaux*, 564 F.3d 1313, 1310 (Fed. Cir. 2009)). While we appreciate the Examiner's cogent analysis of the policy justifications in the context of a benefit potentially incurred by a parent corporation when patents separately owned by two sister corporations are simultaneously enforced, on the record before us, we are not persuaded that the underlying policy justifications for obviousness-type double patenting show that parent company Bayer AG is a common owner of the two patents.

As Patent Owners point out (Appeal Br. 42–44), the Federal Circuit, in a related case, explicitly indicated that courts have not yet considered "the policies that underlie" obviousness-type double patenting in the particular context of determining whether common ownership exists under the present factual situation, in which "[t]he Leemans ['962] and Strauch patents, having originated from separate inventors and unrelated companies (Hoechst

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AG and Plant Genetic Systems), are now held by sibling companies.” *Bayer CropScience AG v. Dow Agrosciences LLC*, 680 F. App’x 985, 995 (Fed. Cir. 2017).

This statement by the Federal Circuit occurred in the court’s decision on Dow Agrosciences’ appeal of the Eastern District of Virginia’s confirmation of an international arbitration tribunal’s determination that the Leemans ’962 patent was not invalid for obviousness-type double patenting over the Strauch patents. *Dow*, 680 F. App’x at 988–90. In this decision, the Federal Circuit explained that Dow had argued to the arbitration tribunal that the Leemans ’962 patent was invalid for obviousness-type double patenting over the Strauch patents, “contending that the patents were commonly owned by Bayer AG, the parent company of Bayer CropScience AG (owner of the Strauch patents) and Bayer CropScience NV (owner or co-owner of the Leemans patents).” *Dow*, 680 F. App’x at 988–94. The Federal Circuit indicated that the arbitration tribunal had concluded that the patents were not commonly owned because Bayer CropScience AG and Bayer CropScience NV “were different entities and Dow had not provided sufficient evidence to pierce the corporate veil separating them.” *Id.* In affirming the district court’s confirmation of the arbitration tribunal’s decision, the Federal Circuit indicated that “[w]e cannot say that the tribunal’s conclusion is contrary to public policy or reflects a manifest disregard of the law under the strict standards governing such challenges.” *Id.* at 994–95.

The Federal Circuit explained that because obviousness-type double patenting is a judicially-created corollary to statutory double patenting,

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which itself is a “judicial gloss” on 35 U.S.C. § 101, the “authoritative source of law in this area is therefore judicial precedent.” *Id.* at 995. The Federal Circuit indicated that “while the courts may someday reach the present situation, they have not yet done so.” *Id.* The court noted, however, that a “district-court decision concerning terminal-disclaimer law supports Bayer, not Dow, on this issue.” *Id.* at n.2 (citing *Email Link Corp. v. Treasure Island, LLC*, No. 2:11-cv-1433-ECR-GWF, 2012 WL 4482576 (D. Nev. Sept. 25, 2012)).

The Federal Circuit further explained that “[n]o precedent cited to the tribunal, or to us, considers and resolves in Dow’s favor the doctrinal questions presented by this situation, including those addressed to the policies that underlie the doctrine—the unjustified extension of exclusivity rights against the public and the potential for separate assignee suits enforcing the same rights.” *Id.* (citing *Geneva Pharms., Inc. v. GlaxoSmithKline PLC*, 349 F.3d 1373, 1378 (Fed. Cir. 2003), *Hubbell*, 709 F.3d at 1145). The court concluded that “[w]ith the doctrinal question as unsettled as it is for the present circumstances, the tribunal’s rejection of Dow’s double-patenting challenge cannot be declared a manifest disregard of law or contrary to public policy.” *Id.*

Accordingly, as the Federal Circuit indicated in *Dow*, the policy justifications underlying obviousness-type double patenting alone do not warrant a conclusion that the Leemans ’962 and Strauch patents are commonly owned by Bayer AG. Thus, for similar reasons to those relied upon in the *Dow* arbitration decision, the legal authority and evidence Patent Owners rely on to support their position that an overlap in ownership does

not exist between the Leemans '962 and Strauch patents is more persuasive than the Examiner's public policy justification. We are not persuaded that Bayer AG's alleged "beneficial ownership" of the Leemans '962 and Strauch patents alone is sufficient to render the Leemans '962 and Strauch patents "commonly owned" for the purposes of obviousness-type double patenting. Nor are we persuaded that the underlying policy justifications for obviousness-type double patenting show common ownership.¹²

Therefore, we are persuaded of error in the Examiner's determination that the Leemans '962 and Strauch patents are "commonly owned." Consequently, because it is undisputed on the record before us that the Leemans '962 and Strauch patents do not share any inventors in common,

¹² We note that our holding is consistent with intervening case law from the Federal Circuit in *Immunex Corp. v. Sandoz Inc.*, No. 2020-1037, 2020 WL 3556098, slip op. at 9–15 (Fed. Cir. July 1, 2020). In *Immunex*, the Court looked favorably on an "all substantial rights test" indicating it "appears consistent with both principles underlying obviousness-type double patenting" in evaluating when patents are considered "'commonly owned' for [the] purposes of obviousness-type double patenting" *Id.* at 6. The Court concluded that "the right to prosecute the patent at issue" is informative such that where "a party ultimately controls prosecution of both sets of patents [the patentee is prevented] the unjustifiable issuance of claims that are patentably indistinct from claims already owned by that party." *Id.* (emphasis omitted). In *Immunex*, not all substantial rights were conferred to a single owner, despite the transfer of some rights to the prior art patent owner. Rather, in *Immunex*, the patent owner retained key rights in the agreement. *Id.* at 18. In the present case, however, Patent Owners have established that *no* ownership rights are held by the parent company Bayer AG. Indeed, Bayer AG would not have the authority to file a reexamination application of either the Leemans '962 or Strauch patents. Thus, despite some benefit Bayer AG may have by holding shares of both sister companies, Bayer AG cannot be a common owner.

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the Examiner does not establish a basis for rejecting claim 1 of the Leemans '962 patent for obviousness-type double patenting over the applied claims of the Strauch patents.

We, accordingly, do not sustain the Examiner's rejections of claim 1 of the Leemans '962 patent for nonstatutory double patenting over the applied claims of the Strauch patents.

CONCLUSION

Claim	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
1	Nonstatutory double patenting	Strauch '894		1
1	Nonstatutory, obviousness-type double patenting	Strauch '894, Kozak, Reddy, Nisbet		1
1	Nonstatutory double patenting	Strauch '268		1
Overall Outcome				1

REVERSED

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