

**Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91 (PTAB 3/30/2023)**

This is a non precedential final decision of the PTAB resulting from Global's post-AIA derivation petition that Selner derived the invention from Global. Derivation petition final decisions are rare. Accordingly, the case quotes below merely add context to the substantive law of conception, and the substantive and procedural law of post-AIA derivation petitions.

A. Jurisdiction and Burden of Proof We have jurisdiction under 35 U.S.C. § 6. This Final Written Decision is issued pursuant to 35 U.S.C. § 135(b). To prevail in an instituted derivation proceeding, a petitioner must demonstrate that “an inventor named in the earlier application derived the claimed invention from an inventor named in the petitioner’s application and, without authorization, the earlier application claiming such invention was filed.” 35 U.S.C. § 135(b); *see also* 37 C.F.R. § 42.405(b)(2). [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91 (PTAB 3/30/2023).]

Unlike the statutory provisions governing inter partes review and post-grant review, which specify that a petitioner must prove unpatentability of a claim by a “preponderance of the evidence,” the statutory provision for derivation proceedings does not set forth an evidentiary standard for proving derivation. See 35 U.S.C. §§ 135, 316(e), 326(e). Our rules, however, provide that “[a] derivation proceeding is a trial subject to the procedures set forth in subpart A of this part [i.e., 37 C.F.R. §§ 42.1–42.80],” 37 C.F.R. § 42.400(a), and “[t]he default evidentiary standard [for trial proceedings] is a preponderance of the evidence,” 37 C.F.R. § 42.1(d).<sup>7</sup> We apply that standard for purposes of this Final Written Decision. *Andersen Corp. v. GED Integrated Solutions, Inc.*, DER2017-00007, Paper 57 at 17 (PTAB March 20, 2019) (Final Written Decision). [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91 (PTAB 3/30/2023).]

B. Principles of Law Although a derivation proceeding is a creation of the Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, § 3(I), 125 Stat. 284 (September 16, 2011),<sup>8</sup> the charge of derivation of invention as a basis for finally refusing application claims and cancelling patent claims had been adjudicated under 35 U.S.C § 135(a) as it existed prior to the enactment of AIA. On the substantive law of derivation of invention, the Board applies the jurisprudence which developed in that context, including the case law of the United States Court of Appeals for the Federal Circuit and the United States Court of Customs and Patent Appeals. *Andersen Corporation*, DER2017-00007, Paper 57 at 14; *Catapult Innovations Pty Ltd. v. Adidas AG.*, DER2014-00002, Paper 19 at 3 (PTAB July 18, 2014) (Decision Denying Institution) (“Catapult Innovations”). [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91 (PTAB 3/30/2023).]

The party asserting derivation must establish prior conception of an invention and communication of that conception to an inventor of the other party. *Cooper v. Goldfarb*, 154 F.3d 1321, 1332 (Fed. Cir. 1998); *Price v. Symsek*, 988 F.2d 1187, 1190 (Fed. Cir. 1993); *Hedgewick v. Akers*, 497 F.2d 905, 908 (CCPA 1974). [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91 (PTAB 3/30/2023).]

“Conception must be proved by corroborating evidence which shows that the inventor disclosed to others his ‘completed thought expressed in such clear terms as to enable those skilled in the art’ to make the invention.” *Coleman v. Dines*, 754 F.2d 353, 359 (Fed. Cir. 1985) (quoting *Field v. Knowles*, 183 F.2d 593, 601 (1950)). A rule of reason applies to determining whether the inventor’s testimony has been corroborated. *Price*, 988 F.2d at 1195. “The rule of reason, however, does not dispense with the requirement for some evidence of independent corroboration.” *Coleman*, 754 F.2d at 360. Also, proof of conception must encompass all limitations of the invention. See *Singh v. Brake*, 222 F.3d 1362, 1367 (Fed. Cir. 2000); *Kridl v. McCormick*, 105 F.3d 1446, 1449 (Fed. Cir. 1997); *Sewall v. Walters*, 21 F.3d 411, 415 (Fed. Cir. 1994); *Coleman*, 754 F.2d at 359; *Davis v. Reddy*, 620 F.2d 885, 889 (CCPA 1980). [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91 (PTAB 3/30/2023).]

Likewise, communication of the conception to an inventor of the other party must be corroborated. 37 C.F.R. § 42.405(c) (“The showing of communication must be corroborated.”). The purpose of the requirement of corroboration is to prevent fraud. *Berry v. Webb*, 412 F.2d 261, 267 (CCPA1969). An inventor “must provide independent corroborating evidence in addition to his own statements and documents.” *Hahn v. Wong*, 892 F.2d 1028, 1032 (Fed. Cir. 1989); *Reese v. Hurst*, 661 F.2d 1222, 1225 (CCPA 1981). [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91 (PTAB 3/30/2023).]

Also applicable to derivation proceedings are regulations in Subpart E of Part 42 of Title 37, Code of Federal Regulations. 37 C.F.R. §§ 42.400– 412. In particular, under 37 C.F.R. § 42.405(b)(3), a petitioner has to show that each challenged claim of the respondent is the same or substantially the same as “the invention disclosed to the respondent.” Under 37 C.F.R. § 42.405(a)(2), a petitioner has to show that it has at least one claim that is (I) the same or substantially the same as the respondent’s claimed invention, and (ii) the same or substantially the same as “the invention disclosed to the respondent.” [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91 (PTAB 3/30/2023).]

In the context of 37 C.F.R. § 42.405(a)(2)(ii) and 37 C.F.R. § 42.405(b)(3), “the invention disclosed to the respondent” is that for which a petitioner must

prove corroborated conception and communication to an inventor of respondent’s application. If a petitioner chooses to rely on more than one such “invention disclosed to the respondent” for purposes of 37 C.F.R. § 42.405(b)(3), then it has to prove corroborated conception and communication for each and satisfy 37 C.F.R. § 42.405(a)(2)(ii) for each. [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91 (PTAB 3/30/2023).]

Assuming that corroborated conception and communication both are established by the petitioner for “the invention disclosed to the respondent” and the respondent has not proved an even earlier time of conception, and that each of the above-identified regulatory requirements are met, a petitioner would be able to regard as a derived invention those challenged claims of the respondent which are shown by the petitioner to be the same or substantially the same as “the invention disclosed to the respondent.”<sup>9</sup> See 37 C.F.R. § 42.405(b)(3). [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91 (PTAB 3/30/2023).]

“Same or substantially the same” means patentably indistinct, 37 C.F.R. § 42.401, and in this specific context, patentably indistinct is evaluated one-way in the direction from the invention disclosed to the respondent to each challenged claim. [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91, footnote 9 (PTAB 3/30/2023).]

D. Petitioner Having at Least One Claim Satisfying 37 C.F.R. § 42.405(a)(2)(I) Per 37 C.F.R. § 42.405(a)(2)(I), Petitioner must have at least one claim that is “[t]he same or substantially the same as the respondent’s claimed invention.” Specifically, Petitioner identifies Petitioner’s claim 1 and Respondent’s claim 36. Pet. 46–51. In an Order dated December 17, 2021, we explained that for this determination under 37 C.F.R. § 42.405(a)(2)(I), “Petitioner need only show one claim in its application that is same or substantially the same as one claim of Respondent, and that the determination is made one-way in the direction from the Petitioner claim to the Respondent claim.” Paper 18, 2–3. “Same or substantially the same” means patentably indistinct. 37 C.F.R. § 42.401. [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91, footnote 9 (PTAB 3/30/2023).]

In the Decision to Institute, we tentatively determined that a “stable suspension” is “non-separating, non-coalescing, non-flocculating.” Inst. Dec. 12. Also in the Decision to Institute, we tentatively determined that a suspension “comprising water, greater than about 80% by weight petrolatum, and at least one ionic biocide” (as recited in Petitioner’s claim 1) and not reciting any other component is one that is “essentially consisting of water, petrolatum and at least one cationic biocide” (as recited in Respondent’s claim 36) or at least would have rendered the latter obvious. Id. The phrase “consistently essentially of” permits inclusion of components not listed in the claim, provided that they “do not

materially affect the basic and novel properties of the invention.” PPG Indus. v. Guardian Indus. Corp., 156 F.3d 1351, 1354 (Fed. Cir. 1998). We explained that, although Petitioner’s claim 1 uses the more open-ended phrase “comprising,” it would have been obvious to one with ordinary skill in the art to exclude the presence of materials that would materially affect the basic and novel properties of the stable suspension invention. Id. [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91, footnote 9 (PTAB 3/30/2023).]

E. Petitioner Having at Least One Claim Satisfying 37 C.F.R. § 42.405(a)(2)(ii) Per 37 C.F.R. § 42.405(a)(2)(ii), Petitioner must have at least one claim that is “[t]he same or substantially the same as the invention disclosed to the respondent.” In an Order dated December 17, 2021, we explained that for this determination under 37 C.F.R. § 42.405(a)(2)(ii), “Petitioner need show only one claim of Petitioner that is the same or substantially the same as ‘the invention disclosed to the respondent,’ and that is also a one-way analysis in the direction from Petitioner’s claim to ‘the invention disclosed to the respondent.’” Paper 18, 3. See Catapult Innovations, Paper 19 at 17. That means the invention disclosed to the Respondent either must be anticipated by or would have been obvious over a Petitioner claim. \*\*\* In the Decision to Institute, we explained that there are two deficiencies with Petitioner’s approach. Inst. Dec. 13–14. First, the analysis is in the opposite direction. Petitioner is asserting that “the invention disclosed to the respondent” anticipates Petitioner’s claim 1, rather than what is required, i.e., “the invention disclosed to the respondent” either must be anticipated by or would have been obvious over a Petitioner claim. [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91, footnote 9 (PTAB 3/30/2023).]

The Decision to Institute also determined that those deficiencies are inconsequential. Inst. Dec. 14. We explained that it is manifestly evident, without need of any explanation, that claim 1 anticipates the stable suspension composition prong of the “invention disclosed to respondent” \*\*\* Respondent does not argue against the reasoning we provided in the Decision to Institute in that regard. Neither does Respondent dispute that the requirement of 37 C.F.R. § 42.405(a)(2)(ii) is met by Petitioner’s claim 1 and the stable suspension composition prong of the “invention disclosed to respondent.” For the foregoing reasons, we maintain the tentative determination made in the Decision to Institute, and find that Petitioner has met the requirement of 37 C.F.R. § 42.405(a)(2)(ii). [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91, footnote 9 (PTAB 3/30/2023).]

C. The Invention Allegedly Disclosed to Respondent The Petition specifically identifies the invention allegedly conceived by Bradley Burnam and disclosed to Marc Selner \*\*\* According to Petitioner, this stated invention encompasses a method Bradley Burnam conceived and disclosed to Marc Selner, \*\*\* Because of Petitioner’s above-noted representations, in the Decision to

Institute we added a method alternative to the stable suspension composition as the “invention disclosed to respondent.” Inst. Dec. 6–8. That means either party could prove conception by way of either the method alternative or the composition alternative. [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91, footnote 9 (PTAB 3/30/2023).]

F. Petitioner’s Showings under 37 C.F.R. § 42.405(b)(3) Under 37 C.F.R. § 42.405(b)(3), an analysis should be performed by Petitioner of each challenged claim and the “invention disclosed to respondent,” which in this case has been defined as having two alternative prongs, a stable suspension composition prong and a method prong. Depending on the challenged claim, Petitioner may rely on either prong. In a derivation proceeding, a challenged claim would be deemed a derived invention under 37 C.F.R. § 42.405(b)(3), if it is shown to be the same or substantially the same as “the invention disclosed to the respondent,” provided that Petitioner has proved corroborated conception and communication of “the invention disclosed to the respondent,” and that Respondent has not proved an even earlier conception. In this case, we need not proceed to review Petitioner’s showing with respect to 37 C.F.R. § 42.405(b)(3) because, as we discuss below, Respondent has proven a time of conception that is prior to the time of conception and communication proven by Petitioner. [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91, footnote 9 (PTAB 3/30/2023).]

As discussed above, proof of conception does require some form of independent corroboration. *Coleman*, 754 F.2d at 360. But a rule of reason applies to determining whether the inventor’s testimony has been corroborated. *Price*, 988 F.2d at 1195. For the reasons discussed below, we determine that, under a rule of reason, Respondent has provided sufficient independent corroboration that Marc Selner sent the Exhibit 2067 email, the Exhibit 2067A Attachment, and the Exhibit 2041 email.<sup>14</sup> See Ex. 2117 ¶ 22. The independent corroboration comes in the form of the declaration of Ashley Corbin, law clerk of Respondent’s lead attorney, who testified that she accessed Marc Selner’s email account at AOL associated with the email address [lpcoll22@aol.com](mailto:lpcoll22@aol.com), located the Exhibit 2067 email, the Exhibit 2041 email, and the Exhibit 2067 Attachment, and printed them to PDF to be used as exhibits in this proceeding. Ex. 2118 ¶¶ 3, 5. Ashley Corbin also testified that she “made no modification or alteration to the substance of the exhibits” and that “[t]he exhibits are all authentic.” *Id.* ¶ 6. Adding to that is the fact that AOL is a well-known email service provider who stores all the emails of its account holders that are sent or received using an AOL email address. [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91, footnote 9 (PTAB 3/30/2023).]

Petitioner does not explain why it believes there is, under a rule of reason, no independent corroboration for Exhibits 2067, 2067A, and 2041. In our view, based on the testimony of Ashley Corbin and the status of AOL as a well-known

email service provider, there is. In particular, we note that Ashley Corbin, an individual other than Marc Selner, testified that she accessed and printed the emails and attachment from Marc Selner's email account at AOL, not that she accessed and printed them from storage in Marc Selner's own computer. \*\*\* Furthermore, there is other circumstantial evidence that reinforces the testimony of Ashley Corbin and makes the case of corroboration even stronger, although such additional evidence is unnecessary. [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91, footnote 9 (PTAB 3/30/2023).]

Second, Petitioner incorrectly asserts that "a reduction to practice is a requisite for complete conception," and faults Marc Selner for not "ever successfully manufactur[ing] the claimed composition without using Burnam's temperature gradient." Reply 2. Conception and actual reduction to practice are different concepts, and Petitioner provides no controlling authority that requires proof of actual reduction to practice to show conception. Further, there is no dispute between the parties that the process according to the method prong of "the invention disclosed to the respondent" works in producing a stable suspension composition. [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91, footnote 9 (PTAB 3/30/2023).]

Third, Petitioner asserts that Marc Selner advocated, at various times both before and after February 14, 2014, heating the petrolatum to a temperature higher than the 40°-45°C range that Bradley Burnam disclosed and is required by the "invention disclosed to respondent." Reply 5-6. But an inventor is not restricted to having a single unchanging thought for a long period of time. That Marc Selner considered other ideas does not defeat or undermine the fact that on February 14, 2014, he proposed a specific method to Bradley Burnam, which included heating the petrolatum to 40°-45°C and the aqueous phase including the PHMB to 50°C. Ex. 2067, 2067A, 2041. [Global Health Solutions LLC v. Marc Selner, DER2017-00031, paper 91, footnote 9 (PTAB 3/30/2023).]