UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BAYER CROPSCIENCE LP
Petitioner

v.

SYNGENTA LIMITED
Patent Owner

Case IPR2017-01332
Patent 8,404,618 B2

REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE

As the Board authorized, Petitioner responds to Patent Owner's argument that the Polge patent and Polge PCT (Exs. 1008, 1009) are disqualified under pre-AIA 35 U.S.C. § 103(c)(1) in Grounds 2(a) and 2(b). No evidence shows that the Polge references and the '618 patent were owned by or subject to an obligation of assignment to the same person "at the time the claimed invention was made." *Id*.

First, Owner has not alleged any actual date of invention. *See* IPR2015-00594, Paper 90, at 24 (owner bears burden of production to establish date invention was made); IPR2016-00198, Paper 12, at 17-18 ("If we do not know the time the claimed invention was made, we cannot determine if the subject matter … was owned or subject to an obligation of assignment … at the time."). Although the "effective filing date" is the relevant date under the AIA's common-ownership exceptions in § 102(b)(2)(C) and (c), it is not the relevant date Congress specified under pre-AIA § 103(c)(1) ("time the claimed invention was made").

Second, even if Owner is permitted to rely on the effective filing date of the '618 patent's priority application in 2004 as the date of invention, both assignments—Ex. 2007 (for '618 patent) and Ex. 2008 (for Polge patent)—were executed in 2006, and fail to establish any earlier obligation to assign to anyone, much less to the same entity. The ownership of pre-AIA inventions initially vests in the named *inventors*, which are not common between the '618 patent and Polge references. *See Beech Aircraft Corp. v. EDO Corp*., 990 F.2d 1237, 1248 (Fed.

Cir. 1993). Further, Exhibit 2008 (Mr. Polge's assignment) is expressly limited to "United States" rights *only*, and is thus inapplicable to the Polge PCT publication, which designates various non-U.S. states and names "Syngenta Participations AG" of Switzerland as the applicant "for all designated States except US" (Ex. 1009).

Third, neither Exhibits 2007 nor 2008 even mentions, much less shows ownership by, Syngenta AG, which Owner contends owns the '618 patent and both Polge references. Given the lack of actual ownership by Syngenta AG, Owner implicitly relies on a theory of "beneficial" ownership by virtue of a common corporate parent. However, the mere fact of a common corporate parent does not establish ownership of the *property* of its subsidiaries. *See* 35 U.S.C. § 261 ("[P]atents shall have the attributes of personal property."). This argument also ignores Supreme Court precedent reciting the "basic tenet of American corporate law" 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…." *Dole Food Co. v. Patrickson,* 538 U.S. 468, 474-75 (2003) (emphasis added). These assets include *patents* held by the subsidiary. *See Abraxis Bioscience, Inc. v. Navinta LLC*, 625 F.3d 1359, 1366 (Fed. Cir. 2010) ("Common 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 from one to the other."). This is also the law in Delaware where Syngenta Crop Protection, Inc. is

incorporated (Ex. 2008). *See Buechner v. Farben-fabriken Bayer,* 154 A.2d 684, 686-87 (Del. 1959) (parent company "has no interest of any specific assets of the [wholly-owned subsidiary]" because "[t]he corporation is an entity, distinct from its stockholders even if the subsidiary's stock is wholly owned by one person or corporation"). And it is the law in the United Kingdom, whose law controls property rights of '618 alleged co-owner Syngenta Limited. *See*, Exh. 1063, at ¶ 8.

Neither of the two IPR papers that Owner cites at page 21 of its preliminary response supports Owner's position. In IPR2014-00552 (Paper 79, at 19), the Board did "not need to reach the question of whether Intersil Sub 1 and Intersil Sub 2 are the 'same person' under § 103(c)." In IPR2014-00825 (Paper 36, at 12), unlike here, there was a *recorded assignment* of a prior art patent to Evercom, prior to the making of the claimed invention by Evercom's own inventors.

Only MPEP §706.02(*l*)(2)(I)—which by its own admission in the Foreword "does not have the force of law"—defies the black letter law of *Dole* regarding patents held by two wholly-owned subsidiaries (Example 1). The Federal Circuit has never given credence to this MPEP example, and at least one district court has held contrary to it. *See Email Link Corp. v. Treasure Island, LLC*, 2012 WL 4482576 (D. Nev. Sept. 25, 2012) (two patents, owned by two wholly-owned subsidiaries (Email Link and Online New Link, respectively), are not commonly owned, despite having a common corporate parent (Acacia)).

Respectfully submitted,

Dated: 5 September 2017

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