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Attached are my comments in PDF.

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Comments on Rules & Examination Guidelines Proposals of 26 July 2012 to Implement First Inventor to File Provisions of the AIA, FR 43742 & 43759

**INTRODUCTION**

I provide the following comments as an active patent practitioner since 1973 and an active member of national intellectual property law associations for most of my career, having served on numerous committees charged with developing comments to USPTO rules proposals as well as having provided my personal comments to the USPTO on numerous rules proposals. While these comments are mine alone, they do reflect in depth discussions I have had with colleagues and others seriously concerned with the current proposals.

I also provide the following comments with recognition of the outstanding job the USPTO has done to date, in implementing the provisions of the AIA which have already become effective and in taking due account of the comments provided in response to earlier AIA related rules proposals. In this regard, in my view, the rationale provided in response to comments can be as valuable as any modifications of the proposed guidelines and rules themselves.

**COMMENTS ON THE PROPOSED EXAMINATION GUIDELINES**

I am seriously concerned with the impact that the Guidelines may have not only on the Examining Corps charged with ex parte patent examination but also with their impact on judicial and quasi judicial decision makers, such as U.S. District Court Judges and Administrative Patent Judges who are called upon to interpret the AIA provisions relating to First Inventor to File (FITF). And in view of the inherent delay in issues reaching these decision makers, I am concerned about the impact that these Guidelines will have on inventors and their affiliates and attorneys in reaching decisions on patentability and validity in their private dealings with others, such as licensing negotiations and the settlement of patent disputes. In short, these Guidelines may be the only authoritative statement on the interpretation of the FITF provisions of the AIA for some considerable time.

Very Narrow Interpretation of 35 USC 102(b)(1)(B) and (b)(2)(B), Trivial Variations

The proposed interpretation of “subject matter disclosed” for the purpose of disqualifying a prior public disclosure or a prior U.S. patent application disclosure by a third party in the Guidelines (@ FR 43767 & 43769) is unjustified and will undermine the practical value of the “Grace Period” provisions of the AIA relating to disclosures not originating with the inventor. There is nothing in the language or the logic of the AIA to suggest such a crabbed interpretation that an inventor only obtains a meaningful “Grace Period” benefit, if his pre-filing public disclosure is both as broad and as detailed as his later patent application. There is, in this regard, a very real danger that the entire concept of protection from intervening third party public disclosures could be deliberately or inadvertently undermined. There is a much better approach available which simply borrows concepts with continuing vitality from earlier 37 CFR 1.131 law and interference law. Both have valuable historical lessons on the meaning of “same subject matter” and a claim “for the same or substantially the same subject matter”.

A major rationale for the “Grace Period” provisions of the AIA was to provide a route for inventors to lay an early claim to an invention, in advance of their being able to get a patent application on file. While the creation of the Provisional Application was recognized as a partial solution to this concern, it was also recognized as less than a complete solution, particularly after the ability to revert an invention date

was no longer available. Another major rationale for the “Grace Period” provisions of the AIA was the recognition that inventors may find it necessary or at least highly desirable to make public disclosures of their inventions before filing patent applications on them. Among these was the need of inventors to seek venture capital and of academic inventors to make timely publications of the results of their research. Both of these rationales are undermined if, as a practical matter, this initial public disclosure must be as both as broad and as detailed as the later patent application.

In this day of widespread internet fraud, it is naïve to assume that efforts would not be made to undermine the patentability of public disclosures of commercially interesting technology by “publishing” trivial variations, thus undermining the practical value of the “Grace Period”. The cost of “publishing” via posting on the internet on a blog or otherwise is vanishingly small (As search engines continue to improve, it can also be anticipated that any “indexing” requirement to be a “publication” will also become vanishingly small). There is, of course, the theoretical possibility of tracing the third party public disclosure back to the inventor, but in many cases this would only be practically possible in the context of the discovery available in civil litigation. But few patent applicants would or could resort to such a route to overcome an ex parte examination rejection based on an “intervening” third party public disclosure (Theoretically an applicant could resort to a 35 USC 145 action, but this cannot be viewed as a practical alternative for many patent applicants).

But even a good faith third party intervening public disclosure could, under the proposed Guidelines with its crabbed definition of “subject matter disclosed”, completely undermine the practical value of the “Grace Period”. A letter to the editor in response to a published paper by an inventor seeking clarification or amplification on some point raised by the paper, could easily substantially impact the patent protection available to the inventor/author. A letter to the editor could reflect a true inventive contribution, as where it is a report of parallel but not identical work. But it could just as likely raise points that a good patent attorney would tease out of an inventor in preparing his patent application. For instance, the inventor of a novel and unobvious chemical process might mention the use of an element without explicitly reciting that any or all of its isotopes could be used or the inventor of a novel and unobvious machine discloses a drive belt as an element without explicitly stating that a V-belt is suitable. Under the trivial variation standard, a third party public disclosure of using a specific isotope or using a V-belt would bar patent coverage of those embodiments and perhaps the entire invention (Depending on how the obviousness analysis was conducted).

An approach modeled on the former practice under Rule 1.131 and MPEP 715.02 makes a lot of practical sense. This would involve disqualifying the second public disclosure if the earlier public disclosure by the inventor disclosed the whole invention claimed in the application at issue or if it disclosed as much of the claimed invention as the second disclosure disclosed. In this regard, if an inventor makes a public disclosure of “red” and then files a patent application claiming “red” it is difficult to see why an intervening public disclosure by another of “red” and “orange” should be a bar to patentability. If one substitutes the inventor’s earlier public disclosure for the inventor’s pre filing inventive activity one can use by analogy the well developed case law and procedure of Rule 1.131 practice. In this regard, this practice never required identity between the earlier work and the later reference but just a showing of sufficient work to establish that the inventor had possession of the basic inventive idea later claimed in his application. Such an approach would be consistent with the AIA’s use of the phrase “subject matter” (Congress has long used the phrase “subject matter” to refer to an inventive concept as opposed to precise text, such as in current 35 USC 135 which speaks of claims to the same subject matter as the standard to instituting an interference. Indeed only such an approach could justify phantom count practice, a staple of current interference practice).

## Interpretation of the "On Sale" Provision of AIA 35 USC 102(a)

The Guidelines should make clear that the AIA made no change to the forfeiture for secret commercial exploitation rule adopted by the case law of the Court of Appeals for the Federal Circuit. In *D.L. Auld v. Chroma Graphics*, 714 F2d 1144 (Fed Cir 1983) the Court adopted a rule that commercial exploitation of an invention by an inventor for more than one year before he first applied for a patent on the invention worked a forfeiture on his right to a patent on that invention. The Court made reference to *Metallizing Engineering v. Kenyon Bearing*, 153 F2d 516 (2<sup>nd</sup> Cir 1946) but it also made it clear that it was not interpreting the "on sale" provision of 35 USC 102(b) but adopting a judicial analogy:

The "forfeiture" theory expressed in *Metallizing* parallels the statutory scheme of 35 U.S.C. § 102(b), the intent of which is to preclude attempts by the inventor or his assignee to profit from commercial use of an invention for more than a year before an application for patent is filed.

Both the AIA and the pre-AIA statutory provisions relating to "on sale" are concerned with the occurrence of an event which bars all comers from obtaining valid patent rights to the technology which was put "on sale". There is no reference in the statutory language to who was responsible for putting the technology "on sale".

On the other hand, the secret commercial exploitation of technology by a third party will not bar an inventor from obtaining valid patent rights on the technology, so long as he did independently invent the technology in question. This was the explicit holding of the Federal Circuit in *WL Gore v. Garlock*, 721 F2d 1540 (Fed Cir 1983):

"There is no reason or statutory basis, however, on which Budd's and Cropper's secret commercialization of a process, if established, could be held a bar to the grant of a patent to Gore on that process."

The mere comments of two members of Congress in the Congressional Record cannot overrule this case law. Only the language of legislation presented to and passed by both Houses of Congress can overrule existing case law. Despite the possible misunderstanding of the relevant case law by these two members, nothing in the language of the AIA even arguably addresses the forfeiture of patent rights for secret commercial use.

Certainly, any change in patent law which abandoned a long established policy and allowed inventors to engage in secret commercial exploitation of their inventions for as long as they liked without forfeiting their right to obtain valid patent protection on the same, would require quite explicit statutory language. In addition, it would be expected that any such major change would be reflected in a more extensive legislative history than the mere comments of two members. One would at least expect to see it reflected in the Committee Report reporting on the legislation to the House of Representatives.

It is clear that the AIA has not eliminated this doctrine and that its elimination would be bad public policy. I am concerned that the USPTO not take a position that the doctrine has been eliminated and that patent applicants may come to rely on this position to their detriment. The AIA sought to redefine

"prior art" but as *D.L. Auld* makes clear, secret commercial use by an inventor does not create prior art but just works a judicial forfeiture of enforceable patent rights. Thus it operates in a manner similar to the doctrine of inequitable conduct. Its elimination would allow an inventor to make secret commercial use of an invention for an extended period, say 25 years, and then seek and obtain valid patent rights to this invention. This is particularly egregious under a grace period statute such as the AIA because, unlike many foreign law systems, there is no risk to the inventor/secret commercial user that a disclosure by a disgruntled or careless employee or partner would bar his access to a patent. Under the AIA system he'd just identify that public disclosure as sourced from him. In addition, the abolition of *D.L. Auld* could frustrate the normal expiration of trade secrets as science advances and it become possible to back engineer a commercially used trade secret. An alert trade secret user might well be able to anticipate this and file a patent application on the trade secret just ahead of its exposure from the advance of science.

Finally, an Office position that the forfeiture doctrine of *D.L. Auld* has been abolished would lead to a substantial period of uncertainty in the law on this point. The issue would only come up in a suit in which the alleged infringer uncovered the secret commercial use in discovery. And it would impair the non-litigation consideration of the issue by third parties concerned with validity of an effected patent such as potential licensees or competitors, because there would be no self reporting during patent prosecution. If the Office has taken a position that *D.L. Auld* is no longer good law, it would not be a violation of the duty of disclosure to fail to report it to the Examiner and there would be no inequitable conduct concerns with such a failure to self report.

#### Establishing A Public Disclosure as Originating from the Inventor

The Guidelines should as precisely as possible identify what is required to establish that a prior public disclosure originated directly or indirectly from the inventor. In this regard, at FR 43766 it is recited that an unequivocal statement of authorship **may** be acceptable, in the absence of evidence to the contrary. In view of the disclaimer "in the absence of evidence to the contrary" the Guidelines should either recite "is acceptable" or provide what else will be required. Perhaps the Office wants to require some evidence that the inventor had possession of the invention before the date of the alleged communication if no evidence of the communication itself is presented. At FR 43767 an applicant is called on to "show" a communication. If the Office means to require something more than an unequivocal statement that a communication was made (in the absence of evidence to the contrary) the Guidelines should specify just what else is required. It is suggested that to be consistent with the guidance at 43771 with regard to joint ownership, in neither case should anything beyond an unequivocal statement be required "in the absence of evidence to the contrary". It is anomalous to prohibit the examiner from requiring corroborating evidence of joint ownership but to allow it in the case of claims of attribution.

There is no justification for requiring that a communication to another who made a public disclosure be enabling of anything. It is anomalous to allow a more complete communication to be disqualified as prior art while denying that effect to a less complete disclosure. If the concept was, that a non-enabling disclosure is not prior art and so need not be disqualified, that is an approach which may deny the benefits of the law to deserving applicants. The law of enablement is hardly so clear that a "non-

enabling” disclosure could not be combined with other prior art to make a rejection. Despite any arguments that a disclosure should only be considered non-enabling if there is no other prior art available sufficient to make the practice of the disclosure possible, there is no reason not to allow the disqualification of any subject matter obtained from the inventor.

The Guidelines should also clarify if evidence of authorship or communication will be rejected if it isn't initially presented. At FR 43769 and 43770 the Guidelines now provide that such evidence “should accompany the affidavit or declaration”.

#### Improper Inventorship

The proposed Guidelines should not unnecessarily create a new class of rejection under 35 USC 101 when other statutory provisions speak more directly to the point. 35 USC 115 requires an oath or declaration from the inventor or inventors of the invention claimed in a patent application and that the oath or declaration be from the inventors listed in the application. Thus an application that did not name the appropriate inventors would not comply with 35 USC 115.

### **COMMENTS ON THE PROPOSED RULES**

The proposed Rules impose substantial new burdens on all patent applicants without adequate justification in terms of benefits to either the examining process or the applicants. Of particular concern are the new requirements for statements. It appears that the Office is attempting to ameliorate at least part of the burden by providing suggested statements which contain “reasonable belief” language. If such language is to impact the risk of charges of inequitable conduct, the language should appear in the body of the relevant Rules. Also the Office comments should directly address this concern.

The proposed Rules also unnecessarily weaken the record created during prosecution involving prior public disclosures originating from the inventor and miss an opportunity to clarify a long term ambiguity in defining “conflicting” applications.

#### Statements Regarding Newly Added Disclosure

There is no justification for the burden imposed on a patent applicant by proposed Rules 55 and 78 to state whether the a patent application filed after 15 March 2013 contains any disclosure not contained in any of its priority cases which were filed before 16 March 2013. Such information is of no help in determining whether the application is subject to the First Inventor To File (FITF) provisions of the AIA; the statutory language makes it clear that that determination is governed solely by claims (whether still in existence or presented and withdrawn or canceled). And it is of very limited value in assessing the prior art value of the applications subject to this requirement. Such a statement clearly adds no new information when the priority application of interest is a non-provisional application; in such a case the application under examination will have already been designated a continuation-in-part upon filing, if it contains any new disclosure.

The main technological thrust of the overwhelming majority of most patent applications does not change in any significant way from its priority cases, when the parent case is a foreign patent application or a Provisional. For the most part what is added, when anything is added, are working examples and

improvements on verbiage. Thus, for the most part, an Examiner can reasonably rely on its priority date when using an application as a reference. And in those rare cases in which a reference is overcome by establishing a lack of relevant disclosure in its parent case, it's likely that the Examiner's initial search will have identified any other references with a similar disclosure to the applied reference, if any exist. Therefore first learning from the applicant in response to a rejection, that an applied reference lacks an early enough effective date, is unlikely to adversely effect the efficiency of the examination process.

In this regard, it is expected that Examiners will not depart from current practice and actually check for relevant disclosure in a reference's priority cases. As best I understand, such checking is not currently done when the priority case is one or more Provisional Applications. All that the AIA has done is add foreign priority cases for the purpose of establishing an effective reference date.

There is a significant burden involved in cross checking an application's disclosure against that of its priority cases, but this burden is especially heavy when the priority case is in a foreign language. To do a proper job an applicant or his attorney would have to obtain a direct translation of the priority case. It is not uncommon that when a text drawn from a foreign application is prepared for U.S. filing, it is amplified or modified but not in a manner that adds significantly to its technological disclosure.

Even if there is some technologically significant disclosure added between a given application and its priority cases, that only becomes relevant if the application becomes an applied reference in a rejection which relies upon the application's priority dates. Of all the applications which will become subject to this rule, it can reasonably be projected that a very small percentage will be used in this manner. And even in those cases, it is far from clear that this information would be helpful. That would be highly dependent on the particular rejection being made and whether it relied upon the added disclosure.

#### Statements Regarding Claims Ever Made

There is not an adequate benefit obtained to justify the burden imposed on a patent applicant by the requirement in proposed Rules 55 and 78, to state whether an application filed after 15 March 2013 but claiming priority to before 16 March 2013 ever contained or now contains a claim with a priority date after March 15 2013. Presumably, the intent is to identify cases with priority dates before 16 March 2013 which are, nonetheless, subject to the FITF provisions of the AIA. But this identification is only useful or helpful in those applications in which a rejection is contemplated whose validity depends on whether those provisions are applicable.

It can be reasonably projected that only a rather small proportion of the cases subject to these Rules will be candidates for such rejections. In some significant proportion of these cases no potentially applicable art under either version of the law will be identified. In another significant proportion, all the applied references will have been published more than one year before the effective filing date of the application under examination. In yet another significant proportion of cases, the applicant will make no attempt to swear behind a reference with an effective date less than a year before the effective filing date of the exam. Thus there will only be a small proportion in which the statement on claims will be useful, those cases in which the applicant seeks to swear behind a reference and those in which the examiner has identified a reference whose prior art status depends on whether its foreign priority date may be used.

Thus it is much more efficient to simply defer determining the applicability of the FITF provisions of the AIA until and unless a rejection is addressed with a Rule 1.131 Affidavit or Declaration or the Examiner

has identified a potential reference with relevant disclosure which needs its foreign priority date to qualify as prior art. Perhaps Rule 1.131 could be amended to require a statement as to claims and the Examining Corps could be instructed to always use foreign priority dates in qualifying references as prior art in cases filed after 15 March 2013, subject to the applicant establishing the inapplicability of the FITF provisions of the AIA.

#### Requirement that a Rule 1.130 Declaration Include a Showing of Inventorship of the Disclosed Subject Matter

The Office should clarify what is required to show that “the inventor or a joint inventor is in fact the inventor of the subject matter of the disclosure”. In prior practice, in the absence of evidence to the contrary, an inventor could establish his inventorship by making an unequivocal statement to that effect in an affidavit or declaration. In the case of a public disclosure does the Office intend to require anything more? And does the Office mean to convey anything more than the inventor was the originator of the subject matter disclosed in referring to his having invented the subject matter? Typically inventorship is tied to an invention defined by one or more claims. It is more appropriate to require a statement that the disclosed subject matter was the inventor’s original idea and, when appropriate, that he communicated it to the person making the public disclosure in question, and to require evidence adequate to rebut any contrary evidence, if there is any in the record. It can be reasonably anticipated that in the vast bulk of ex parte examinations there will be no contrary evidence, so it makes sense to explicitly treat the default case.

#### Requirement that a Rule 1.130 Declaration be Accompanied by Evidence

The Office should clarify if it means to reject the later submission of evidence which supports but does not initially accompany a Rule 1.130 Affidavit or Declaration. The passage at FR 43751, that the affidavit or declaration “must be accompanied by any exhibits”, suggests that this is the case. But this would be a major departure from current patent prosecution during which any relevant evidence can be submitted up until a final rejection is entered.

#### Rule 1.77 Statement Regarding Prior Disclosures

The Office should not permit the mere listing of prior disclosures in an application, as being disclosures of an inventor named in that application, to be adequate to disqualify the disclosures as prior art. Rather prior public disclosures should only be disqualified as a result of an appropriate affidavit or declaration, unless it is readily apparent that these prior public disclosures originated with the inventor. The inventors’ oath or declaration, which must be entered into the record of a patent application, only speaks to the claims of the application, not its disclosure. So it would not act as a verification of the origin of prior disclosures listed in the body of the application.

#### Rule 1.78 Requirement to Eliminate Conflicting Claims

The Office should take this opportunity to clarify precisely what conflicting claims are. It is suggested that the language of the claims being drawn to the same or substantially the same invention, used in the statutory provision (35 USC 135) dealing with derivation, be used. In other words two claims “conflict” if the presence of one claim in one application and the other in another application by another would provide the relatedness required for a Derivation Proceeding. Alternatively the language of the statutory provision relating to Interferences (pre-AIA 35 USC 135) of claims drawn to the same or substantially the

same subject matter could be adopted. There is no reason why the text of the Rule should not explicitly recite the standard being applied. This would eliminate any potential conflict with the law of obvious double patenting which clearly contemplates the existence of two applications with claims which are not patentably distinguishable.

#### Rule 1.9 Definition of Joint Research Agreement

The Office should clarify what kind of grant qualifies as a joint research agreement and what type of cooperative agreement which is not a written contract qualifies as a joint research. It is recognized that the current proposed Rule simply adopts the statutory language. But the statute seems to create three kinds of “joint research agreements” and the Office should exercise its regulatory authority to amplify on just what it will be looking for in order to conclude that the joint research agreement disqualification of prior art is applicable, when a written contract is not present or alleged.

#### Rule 1.110 On Information Regarding Inventorship and Ownership

The Office should explain why requests for information of this type are not already covered by Rule 1.105. If Rule 1.105 already empowers the Examiner to request information of this type (“information as may be reasonably necessary to properly examine...”) in appropriate circumstances, it seems inefficient and confusing to provide for such inquiries in an overlapping Rule. Perhaps the instances of proposed Rule 1.110 should just be added to the examples recited in Rule 1.105.