

June 1, 2012

Via Electronic Mail

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Attention: Jim Moore

IBM Corporation Comments in response to “*Notice of Request for Comments on the Feasibility of Placing Economically Significant Patents Under a Secrecy Order and the Need To Review Criteria Used in Determining Secrecy Orders Related to National Security*”, 77 Fed. Reg. 23662 (April 20, 2012)

IBM appreciates the opportunity to comment on the issues raised in the above-referenced notice (“Notice”). Our patent system should strike the right balance between the interests of inventors and the public to help promote a strong economy. As explained further below, we believe inventors choosing patent protection have the flexibility needed to preserve the economic value of their inventions before patent grant under the current system. It is not necessary, therefore, to expand the use of secrecy orders to include economically significant inventions. Furthermore, implementation of such expansion requires the USPTO to address issues that are outside the scope of its expertise and authority.

Inventors choosing patent protection receive exclusive rights in exchange for teaching their inventions to the public. Once a patent application is filed, the decision has been made by the inventors (or the rights-holders, if different) that the economic value of the invention will be better exploited through the use of a patent than by keeping the invention secret. As recognized by the Commerce, Justice, Science, and Related Agencies Subcommittee (“Subcommittee”), there is a period of time after a patent application is published and before that patent issues when an invention is known to the public but no patent rights can be enforced:

“...This period of time between publication and patent award provides worldwide access to the information included in those applications. In some circumstances, this information allows competitors to design around U.S. Technologies and seize markets before the U.S. inventor is able to raise financing and secure a market.” Notice, p. 23663 (citations omitted).¹

¹ In the U.S., if claims in a published application are substantially identical to claims in the subsequently issued patent, damages are available for pre-grant infringement of those claims. See 35 U.S.C. § 154(d).

The delay between publication and issuance described by the Subcommittee exists in most major patenting jurisdictions, where applications are published 18 months from first filing, or the priority date. The American Inventor's Protection Act amended U.S. law in 1999 to similarly require publication at 18 months and bring our system in harmonization with the rest of the world. Thus, the effect noted by the Subcommittee exists worldwide in the patent systems of our major trading partners, and its inclusion in U.S. patent law was explicitly considered and approved by Congress only thirteen years ago. More recently, Congress enacted major patent reform legislation in the America Invents Act, and did not amend the publication requirement.

The publication provision thus reflects Congressional intent to generally publish all patent applications 18 months from first filing, consistent with international practice. Nevertheless, and as described in the Notice, the U.S. system provides pathways for inventors desiring to maintain confidentiality while seeking patent protection. For example, an applicant may request nonpublication if the applicant will not seek patent protection outside the U.S.. If the applicant does wish to seek non-U.S. patent protection, the application will generally be published by that jurisdiction, so U.S. publication in those instances does not create a new burden on applicants. Alternatively, an applicant may expedite prosecution under the prioritized examination program, which is designed to reach a final disposition 12 months from filing, and thus minimize if not eliminate the time period for pre-grant publication.

Inventors and/or rights-holders are in the best position to evaluate the optimal means for protection, including when and if to maintain secrecy, and the patent system gives them the flexibility to do so. Unlike inventions impacting national security, the government has no special expertise in analyzing the economic value of an invention or the need to keep it secret. Neither the USPTO nor any other government body can do a better job determining how best to exploit an invention than the inventor who stands to reap the rewards of that exploitation. Likewise, while 35 U.S.C. § 181 provides the needed authority to review and quarantine inventions implicating national security, we do not believe that provision can fairly be read to cover inventions implicating economic interests.

Taking the decision of how to protect intellectual property away from the property owner will not promote the economic interests of U.S. businesses. Introducing the government into this inherently commercial decision can only cause confusion and uncertainty. Our current system already provides the flexibility needed for rights-holders to make informed decisions to preserve the economic value of their inventions.

Conclusion

IBM thanks the USPTO for providing the opportunity to comment on the Notice. We remain committed to work with the USPTO to maintain a balanced patent system, help promote a strong economy, and encourage innovation.

Respectfully submitted,

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