

April 10, 2012

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MAIL STOP – Patent Board
Director of the United States
Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

ATTENTION – Lead Judge Michael Tierney

Re: Comments on Proposed Rules for:
Derivation Proposed Rules

The Minnesota Intellectual Property Law Association (MIPLA) is grateful for the opportunity to provide input with respect to the Notice of Proposed Rulemaking (NPR) entitled “Changes to Implement Derivation Proceedings,” Fed. Reg. Vol. 77, No. 28, pp. 7028-7041, February 10, 2012

MIPLA is an independent organization of nearly 500 members in and around the Minnesota area representing all aspects of private and corporate intellectual property practice, as well as the academic community. MIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent law before the United States Patent and Trademark Office.

The comments submitted herewith reflect the general views of the Board of MIPLA after consultation and input from the IP Law, Patent Practice and Patent Litigation Committees, and do not necessarily reflect the view of opinions of any individual members or firms of the committees or MIPLA, or any of their clients.

Overall Comments/Suggestions

1. Support for Overall Framework of the Patent Trial Rules and Practice Guide for Post-Issuance Proceedings – At a general and overall level, the rules proposed as Part 42, Subparts A, B, C, D, and E for the various post-issuance proceedings are viewed by MIPLA as consistent with the AIA and with the history of that legislation leading up to its enactment in 2011. The proposed rules follow the model of the existing contested case rules found in 37 CFR Part 41, Subparts A and D, which, in conjunction with the Standing Order of the current BPAI for interferences which have generally been managed so that the current average pendency from declaration to judgment in less than one year. Experience with these contested matters has shown that careful and active APJ management of post-issuance proceedings can result in the early focusing of the issues and prevent the waste of time and resources that might otherwise result from the kind of party-managed discovery that is common in the

Federal courts.

With some refinement, MIPLA believes that these proposed rules will produce a system consistent with the result intended by Congress – that is, a system enabling the resolution of disputes regarding the validity of issued patents in a more rapid, efficient, and cost-effective manner than litigation in the Federal district courts, and that to the extent possible, serves as an aid to the Federal district courts in resolving patent disputes by providing the unique technical input available only from the USPTO (“Office”). Accordingly, MIPLA complements the Office on the overall efforts that were needed to put together the proposed rule packages under the tight timeline that was provided.

2. Support for Obviousness-Type Derivation Standard – MIPLA supports the comments and clarifications that have been provided by members of the Office during the Road Show presentations on the Group 2 Rules package that the Office intends to use what is known as an “obviousness-type” standard for measuring whether there has been a derivation. See, e.g., *New England Braiding v. Chesteron* 970 F.2d 878 (Fed. Cir. 1992), *DeGroff v. Roth*, 412 F.2d 1401 (CCPA 1969), *Agawam v. Jordon*, 74 US 583 (1868). The Office is encouraged to confirm and expand upon these comments that this will be the standard used in governing derivation proceedings.

Specific Comments/Suggestions

- A. Proposed Rule 42.203: Time for Filing – MIPLA generally approves of this proposed rule as the best way of establishing the period in which to initiate a derivation proceeding in view of the statutory language of 35 U.S.C. § 135(a). However, MIPLA has two concerns about the proposed rule.

First, the comments indicate that the period will begin on publication of a PCT application designating the US, and that presumably could include publication of the claims that would be subject to an allegation of derivation in a PCT authorized language other than English. In the context of an intentional derivation, this comment creates a potential incentive for the wrongful deriver to file the derived application in a non-English language country and then file a PCT application without translation of the derived claims into English so as to increase the chances that the true inventor does not recognize that a derived patent application has been filed and published, thereby triggering the deadline imposed by this rule. MIPLA suggests that the Office consider some kind of petition process that would allow for an applicant to petition for waiver of this proposed rule in the interests of justice in certain exceptional circumstances.

Second, the proposed rule 42.403 uses the language “substantially the same” as a measure of whether the claims overlap sufficiently to trigger the deadline. MIPLA is concerned that there is not sufficient guidance provided by the proposed rule as to the appropriate standard for whether the rule, as interpreted and applied, will be evaluating the claims based on the well-known “two-way obviousness” test as has

been used in interference practice, or whether the rule will be interpreted as setting forth some different standard such as the standard set forth in proposed Rule 42.405. In addition, it is unclear whether potentially derived claims that are first presented and published in a continuing application will be deemed to relate back to an initial parent application that was published more than a year before the publication of the case in which the potentially derived claims are presented and published. Further clarification and guidance on these issues is requested.

- B. Proposed Rule 42.405(a)(2)(ii): Grounds for Standing – MIPLA believes that the proposed rule is poorly drafted because it uses the undefined phrase “invention disclosed to the respondent.” The AIA was specifically amended to define the term “claimed invention” as a measure of what was being sought as the invention to be patented. The proposed rule provides no way to understand or measure what is being required of a petitioner because there is no definition or understanding of what would constitute an “invention disclosed to the respondent.” Given that a derivation is triggered by the publication of a claimed invention, MIPLA urges the Office to adopt final rules that similarly measure standing in terms of the claimed invention and not some vague and undefined concept of an invention as described.

Proposed Rule 42.405(b)(3)(i): Petition Requirements – the proposed rule requiring the petitioner to show why each claim is not patentable distinct from the “invention” disclosed to respondent is both vague and problematic. It is vague because the nature of what the “invention” is under proposed Rule 42.405(b)(2) is undefined. It is problematic because it effectively requires the petitioner to prove a negative and creates significant potential for unnecessarily requiring the petitioner to address issues that may not be relevant to the determination of the derivation proceeding. In applications where there are a large number of claims, this requirement is likely to cause petitioners significant problems with the page count limits. It is suggested that any concerns about identifying claims that are patentably distinct without any issue of derivation, and therefore should not be subject to the results of a derivation proceeding, can be addressed more cleanly and clearly once the issues with respect to Rule 42.405(b)(2) are resolved.

- C. Proposed Rule 42.405(b)(3)(ii): Petition Requirements – MIPLA has the same comments on this section as for proposed rule 42.405(a)(2)(ii). In addition, MIPLA is concerned how the proposed rule will be implemented in terms of a required evidentiary showing for what is a legal determination of whether two claims are patentably indistinct. MIPLA urges the Office to reconsider the approach represented by these two proposed rules and, instead, adopt final rules that work off the currently well-understand framework of a count in interference practice.
- D. Proposed Rule 42.405(c): Petition Proofs – MIPLA urges the Office to reconsider and drop or clarify the requirement that a showing of communication of derivation must be required to be corroborated. While evidence of corroboration certainly goes to the sufficiency of whether the evidence proves derivation, requiring evidence in the form of corroboration evidence from current interference practice of another person who

can witness and corroborate the facts alleged in the petition is an outdated requirement in a digital age where verification of the authenticity of an electronic communication can be proven by other means that submission of a statement of a purportedly corroborating witness.

Submitted on behalf of MIPLA by:

/s/

Brad Pedersen
Chair, MIPLA IP Law Revision Committee