

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re:

RIN 0651-AC74

For: **Notice of Proposed Rulemaking:  
Changes to Implement Derivation  
Proceedings**

**77 Fed. Reg. 7028  
(February 10, 2012)**

**Comments In Reply To the Notice of Proposed Rulemaking Entitled  
"Changes to Implement Derivation Proceedings"**

Via Internet to: derivation@uspto.gov

Mail Stop Patent Board  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Due: April 10, 2012

Attention: Lead Judge Michael Tierney, Derivation Proposed Rules  
**Mail Stop:** Patent Board  
Director of the United States Patent and Trademark Office

Dear Lead Judge Tierney:

In reply to the Notice of Proposed Rulemaking published February 10, 2012, at 77 Fed. Reg. 7028, we submit the following comments.

**A. GENERAL COMMENTS**

We request guidance from the Office with regard to AIA § 3(n). This section of the Act is cryptic with regard to the "effective date," stating "patent or application" when referring to the effective date in general, and "claim" when referring to interfering patents. For example, § 3(n) states:

(n) EFFECTIVE DATE.--

(1) **IN GENERAL.**--Except as otherwise provided in this section, the amendments made by this section shall take effect upon the expiration of the 18-month period beginning on the date of the enactment of this Act, **and shall apply to any application for patent, and to any patent issuing**

**thereon**, that contains or contained at any time ...

(2) **INTERFERING PATENTS**.--The provisions of sections 102(g), 135, and 291 of title 35, United States Code, as in effect on the day before the effective date set forth in paragraph (1) of this subsection, **shall apply to each claim of an application for patent, and any patent issued thereon**, for which the amendments made by this section also apply, if such application or patent contains or contained at any time ....

AIA § 3(n) (emphasis added).

Continuation-in-part patent applications or patents may contain claims that fall on either side of the March 16, 2013 date. For example, a patent application having a first non-provisional effective filing date prior to March 16, 2013 would have claims having an effective filing date prior to March 16, 2013. In that case, all claims in the patent would not be subject to the provisions of the AIA and would be subject to an interference proceeding, should a prior inventor exist.

However, a continuation-in-part of such a patent or patent application, filed after March 16, 2013, could contain claims directed to subject matter in the original specification, which rightly having an effective filing date of prior to March 16, 2013, as well as claims directed to the newly added matter, which rightly having an effective filing date of after to March 16, 2013. In that case, while the patent or application as a whole would be subject to the provisions of the AIA, and thus, be eligible for PGR and IPR proceedings, etc., the claims having a pre-March 16, 2013 effective filing date, could be subject to an interference proceeding, as opposed to a derivation proceeding.

It is unclear as to how such a patent application or patent will be treated. Guidance is requested.

## **B. COMMENTS ON SPECIFIC RULES**

### **1. 37 C.F.R. § 42.403 – Time for filing**

Rule 42.403 would provide that a "petition for a derivation proceeding must be filed within one year after the first publication of a claim to an invention that is the same or substantially the same as the earlier application's claim to the allegedly derived invention."

In Interference practice, the "one year" time bar includes the one year anniversary date of the date of publication. *See Switzer v. Sockman*, 333 F.2d 935, 142 USPQ 226 (CCPA 1964). Guidance as to whether the "one year" time bar for filing a derivation proceeding includes the one year anniversary of the date of publication, would be appreciated.

## **2. 37 C.F.R. § 42.405 – Content of Petition**

### *Section (a) – Grounds for Standing*

In 37 C.F.R. §42.405(c), the Office proposes that a petition must, among other things, "(2) Show that the petitioner has at least one claim that is . . . (ii) not patentably distinct from the invention disclosed to the respondent."

Does the Office intend to use the definition of "interfering subject matter" for the determination of whether the claim and disclosure are "patentably distinct"? For example, 37 C.F.R. § 41.203(a) provides that "[a]n interference exists if the subject matter of a claim of one party would, if prior art, have anticipated or rendered obvious the subject matter of a claim of the opposing party and vice versa."

If the Office intends to use this definition, does it foresee allowing a patent to an individual who files claims without authorization to a novel and nonobvious improvement to a disclosure?

### *Section (c) – Sufficiency of Showing*

In 37 C.F.R. §42.405(c), the Office proposes that a petition must include "at least one affidavit addressing communication of the derived invention and lack of authorization." The proposed rule further provides that "the showing of communication must be corroborated."

It is unclear whether a lack of authorization must also be corroborated.

## **3. 37 C.F.R. § 42.408 – Institution of Derivation Proceeding**

In 37 C.F.R. §42.408(b), the Office proposes that "the petitioner may suggest the addition of a patent or application to the derivation proceeding. The suggestion should explain why the suggestion could not have been made in the original petition."

It is unclear whether this section implies that there is requirement that "the suggestion could not have been made in the original petition." If there is no such requirement, does the Patent Office foresee any "legitimate" excuses for a petitioner who is aware of patent or application to fail to include it in an original petition?

## **4. 37 C.F.R. § 42.409 – Settlement agreements**

In 37 C.F.R. § 42.409, the Office proposes that "[a]n agreement or understanding under 35 U.S.C. 135(e) is a settlement for the purposes of § 42.74."

By reference to § 42.74, it appears that the Office intends to refer to the Office's proposed rules on settlement for all post-grant proceedings including derivation. 37 C.F.R. § 42.74(c) refers to "Request to keep separate" where "[a] party to a settlement may request

that the settlement be treated as business confidential information and be kept separate from the files of an involved patent or application.” § 42.74(c) continues

If a timely request is filed, the settlement shall only be available (1) To a Government agency on written request to the Board; or (2) To any other person upon written request to the Board to make the settlement agreement available, along with the fee specified in § 42.15(d) and on a showing of good cause.

This proposed rule under § 42.74, which applies to § 42.409, appears to give undue access to a settlement party’s business confidential information. § 42.74, as proposed, does not appear to provide an opportunity to notify the parties to the settlement agreement of the request to make available. Similarly, § 42.74 does not contemplate a “public” redacted version of the settlement likely because a “true copy” needs to be provided to the Board under § 42.74(b). Nor does § 42.74 address what is required of “a showing of good cause.”

It seems that the potential access to a settlement party’s business confidential information would deter settlement of a derivation proceeding. The Office should consider building in safeguards, such as a notification to the parties or the ability to redact business confidential information prior to disclosure, to encourage efficient disposition of a derivation proceeding by the parties and to save the Office’s resources.

#### **5. 37 C.F.R. § 42.412 – Public availability of Board records**

In 37 C.F.R. § 42.412(b)(1), the Office proposes that “[t]he record of a Board proceeding is available to the public, unless a patent application not otherwise available to the public is involved.”

The rule as proposed does not give any consideration to possibility to that a motion or portions of the record may contain business confidential information. It seems that there should be some consideration for protecting a party’s business confidential information, when and if it needs to rely on such information in a derivation proceeding. The Office should consider adding a provision like 37 C.F.R. § 42.74(c) (“Request to keep separate”) to § 42.412 that balances keeping such information separate from the files of an involved patent or application but provides access on a showing of good cause. In addition, or alternatively, the Office should consider providing the disclosing party an opportunity to redact business confidential information prior to disclosure. Such additional safeguards will encourage open disclosure beyond those provided by a practitioner’s and party’s duties to the Office.

Will the Office provide public notice of a finding of derivation in the involved patent/patent application and in other patents/applications that are either (i) related by priority, or (ii) directed to the derived subject matter?

## C. CONCLUSION

Consideration of the above comments is respectfully requested.

Respectfully submitted,

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*The views expressed herein are our own and are not to be attributed to any other person or entity including STERNE, KESSLER, GOLDSTEIN & FOX P.L.L.C., or any client of the firm.*