

Hernandez, Jesus

From: Susie Dym <sudym@rcip.co.il>
Sent: Sunday, February 01, 2015 1:50 AM
To: ACPrivilege
Cc: 'Patently-O » Patent'
Subject: comment pursuant to posting in Crouch's Patently-O blog re should communications with non-attorney U.S. patent agents be privileged

Dear Madam or Sir,

I am informed by Dennis Crouch's Patently-O blog, that in U.S. patent prosecution, a number of privilege issues have recently arisen – particularly when the communication is not between a client and a U.S. attorney, but rather with a non-lawyer patent agent inter alia. Mr. Crouch's blog further informs, that the USPTO is considering whether to provide a set of best practices as advice to U.S. courts. Taking the first step in that direction, according to Mr. Crouch's blog, the USPTO has published a Federal Register notice asking for comment (to be submitted to ACPrivilege@uspto.gov by February 25, 2015) on the extent to which communications between U.S. patent applicants and their non-attorney U.S. patent agents should be privileged in U.S. courts.

I wish to comment as follows:

- a. I am a non-lawyer patent agent.
- b. I believe that communications between U.S. patent applicants and their non-attorney U.S. patent agents should naturally be privileged in U.S. courts as part and parcel of the decision to extend recognition to non-attorney U.S. patent agents. Insofar as practice before the USPTO is concerned, there is no difference between non-attorney U.S. patent agents and their attorney counterparts hence it would seem to promote commerce to extend privilege not only to the latter but also to the former.
- c. while I believe reason (b) is ample justification for a decision to recognize communications between U.S. patent applicants and their non-attorney U.S. patent agents as privileged in U.S. courts, there is another possible reason. Before a decision is made, if such is ever contemplated, to deny recognition of privilege to communications between U.S. patent applicants and their non-attorney U.S. patent agents, I proposed that the roster of non-attorney U.S. patent agents be compared to the roster of their attorney counterparts.

It would not be surprising to find a larger proportion of women and minorities and residents of low-income states in the first roster since those groups are more likely to experience financial or personal difficulty in both earning a degree in engineering AND finishing law-school. For example, the undersigned is a mother of 6. It would have been, and was, impossible for me to consider going to law school since I needed to support my growing family. Consequently, I qualified as a non-attorney U.S. patent agent and have successfully supported my family in that manner over the years.

I am suggesting that failing to extend privilege to non-attorney practitioners might be, in practice, particularly burdensome to, hence discriminatory toward, women and minorities and other low-income groups, despite the fact that such discrimination would of course in no way have been the intended outcome of such a decision.

Sincerely

Susie Dym
Us Patent Agent,
Registration Number 37935

From: noreply+feedproxy@google.com [mailto:noreply+feedproxy@google.com]

Sent: Wednesday, January 28, 2015 1:18 PM

To: Susie Dym

Subject: Dennis Crouch's Patently-O: 2 new topics, including "A Constitutional Challenge to Inter Partes Review"

Dennis Crouch's Patently-O: 2 new topics, including "A Constitutional Challenge to Inter Partes Review"



- **A Constitutional Challenge to Inter Partes Review**
- **Obviousness: Cannot modify Prior Art a way that Disrupts the Reference's Contribution to the Art**
- **Foreign Agent-Client Privilege?**

A Constitutional Challenge to Inter Partes Review

Posted: 27 Jan 2015 08:42 PM PST

by Dennis Crouch

The America Invents Act (AIA) created a set of new administrative review procedures (IPR, PGR, CPR) that allow third-parties to challenge already issued patents. This new approach takes a power that was previously held by courts and gives it instead to the USPTO. From a separation-of-powers perspective, the new law shifts power from the Article III courts in favor of the Article I executive-controlled agency.

After losing on the merits of the *inter partes* review brought by HP, patentee MCM has now appealed to the Federal Circuit — asking the court to find the inter partes review statute unconstitutional for violation of the Seventh Amendment right to a jury trial.

Question Presented:

Whether actions to cancel or revoke a patent must be tried in Article III Courts with access to a jury under the Seventh Amendment to the United States Constitution.

Ned Heller, author of the brief, reaches back to *Marbury v. Madison*, 5 U.S. 137 (1803), for the standard and accepted principle that “the question whether a property right may be revoked lies within the exclusive province of the Courts.” In 1893 the court explained further that:

The only authority competent to set a patent aside, or to annul it, or to correct it for any reason whatever, is vested in the courts of the United States, and not in the department which issued the patent.

McCormick Harvesting Machine Co. v. Aultman, 169 U.S. 606 (1898).

The largest hurdle for MCM is that the Federal Circuit decided the parallel issue with regard to reexaminations

in *Patlex Corp. v. Mossinghoff*, 758 F.2d 594 (Fed. Cir. 1985). In *Patlex*, the Federal Circuit found that reexaminations did not violate Seventh Amendment. In response, MCM argues (1) *Patlex* is wrongly decided; and (2) *Patlex* was effectively overruled by the Supreme Court in *Stern v. Marshall*, 564 U.S. 2 (2011) (although bankruptcy judge had statutory authority, it lacked Constitutional authority).

Notes:

- **Read the Brief: [MCM Brief](#)**

- **In the Alternative:** MCM also argues its case on the merits of obviousness and that the case is time-barred under 35 U.S.C. 315(b) since one of HP's affiliates (Pandigital) was served with an infringement complaint more than one year before the IPR request was filed. Thus, it is possible that the court will rule in MCM's favor without reaching the Constitutional question.

- **The patent at issue** is US Patent No. 7,162,549 that broadly claims a controller chip for interfacing with a flash memory card used in many devices, such as digital photo frames. More than 100 companies have been sued for infringement over the past six years, but no court has yet found the claims invalid.

Obviousness: Cannot modify Prior Art a way that Disrupts the Reference's Contribution to the Art

Posted: 27 Jan 2015 09:23 AM PST

by *Dennis Crouch*

Plas-Pak Indus v Sulzer Mixpac (Fed. Cir. 2015) (non-precedential)

In 2011, Plas-Pak requested an *inter partes* reexamination of Sulzer's paint-mixing Patent No. 7,815,384. After considering the prior art, the examiner refused to issue the proposed obviousness rejection and that determination was affirmed by the PTAB. The proposed obviousness rejection involved two prior patents: Fukuta and Morris (*inter alia*). Although the two references taught all of the Sulzer claim limitations the USPTO found that it would be improper to combine the references in an obviousness rejection. In particular, the PTO found that the central feature of Fukuta involved the prevention of back-flow and the proposed combination with Morris would eliminate that core feature. That required "substantial reconstruction" that so greatly impacts the "principle of operation" led to the Board's conclusion that the combination would not have been obvious to one of ordinary skill in the art.

In most cases USPTO does not appeal an adverse PTAB decision. Here, however, the third party requester has appellate standing.

Under the rules of administrative procedure, factual findings made by the PTAB are reviewed by the Federal Circuit for "substantial evidence." Under that low standard, the Federal Circuit will affirm factual conclusions so long as the evidence is sufficient such that "a reasonable mind might accept" that the conclusion is supported by the

evidence. Legal conclusions, on the other hand, are reviewed *de novo* by the Federal Circuit.

As with many areas of patent law, obviousness involves mixed questions of law and fact. On point here, questions of fact include (1) what a reference teaches; and (2) whether a proposed combination of references would impact a reference's "principle of operation" while the ultimate conclusion as to whether an invention is obvious is seen as a question of law. Of course another fundamental question of law is interpretation of the statute and precedent.

At first cut, the Federal Circuit appeared to follow these rules of review and gave deference to the PTAB's principle of operation ruling. And, as a consequence affirmed the refusal to reject.

I see some error in the Federal Circuit's approach. In particular, the challenger's argument here was not simply that the PTAB erred in reading the prior art to discover its principle of operation. Rather, Plas-Pak argued that the PTAB erred by ruling that a prior art's principle of operation should be limited to its innovative contribution to the art. That general question of "how do we define a principle of operation" is a question of law and should be reviewed *de novo* by the court. In its brief, Plas-Pak argued this particular point – that the appeal is focused on whether the Board applied the correct legal definition of a "principle of operation" – particularly "that a reference's principle of operation is not equivalent or limited to its alleged contribution to the art."

The decision here was authored by Judge Lourie and joined by Judges Moore and Reyna. However, because it was non-precedential, the standard operating procedures of the Federal Circuit do not require that it be first distributed to the other appellate judges prior to release.

Foreign Agent-Client Privilege?

Posted: 27 Jan 2015 07:30 AM PST

by Dennis Crouch

A bedrock of U.S. legal practice is attorney-client privilege that allows a party to keep certain communications secret. This is an important exception to the broad discovery that is ordinarily permitted in U.S. civil litigation.

In U.S. patent prosecution, a number of privilege issues have arisen – particularly when the communication is not between a client and a U.S. attorney, but rather with a non-lawyer patent agent or a non-U.S. legal service provider.

The USPTO is considering whether to provide a set of best practices as advice to U.S. courts. Taking the first step in that direction, the USPTO has published a Federal Register notice asking for comment on the following questions:

Whether and to what extent U.S. courts should recognize privilege for communications between foreign patent practitioners and their clients; the extent to which communications between U.S. patent applicants and their non-attorney U.S. patent agents should be privileged in U.S. courts; and whether and to what extent communications between U.S. patent practitioners and their clients should receive privilege in foreign jurisdictions.

A Roundtable will be held on February 18, 2015 and written comments can be submitted to ACPrivilege@uspto.gov

by February 25, 2015.

LINK: <http://www.gpo.gov/fdsys/pkg/FR-2015-01-26/pdf/2015-01241.pdf>

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