



February 10, 2005

Hon. Jon W. Dudas  
Director  
U.S. Patent and Trademark Office  
Box Comments-Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Attention: Robert A. Clarke

**RE: Comments Regarding Changes to Implement the Cooperative Research and Technology Enhancement Act Federal Register Notice: 70 Fed. Reg. 1818 (January 11, 2005)**

Dear Director Dudas:

The following are the comments of Intellectual Property Owners Association (IPO) with respect to the proposed new rules for Changes to Implement the Cooperative Research and Technology Enhancement Act published in a notice in the Federal Register on January 11, 2005 (70 Fed. Reg. 1818).

IPO is a trade association for owners of patents, trademarks, copyrights and trade secrets. IPO's membership includes more than 100 large and mid-size companies and 250 small businesses, universities, inventors, authors, executives, law firms and attorneys. Most members of IPO's Board of Directors are chief intellectual property counsel in U.S. companies. IPO serves all intellectual property owners in all industries and all fields of technology. IPO advocates effective protection for patents, trademarks, copyrights, and trade secrets and also urges laws that provide reasonable certainty to avoid undue litigation. The new proposed rules by the USPTO will have a significant effect on our members and their employees, as well as others in the patent community, who practice before the USPTO in patent and trademark matters. Therefore, IPO appreciates the opportunity to provide its comments on the rule changes and changes in Office procedure as proposed in the notice.

The comments below address the rule changes proposed for Parts 1 and 3 of title 37 of the Code of Federal Regulations.

**SECTION 1.71**

Section 1.71(g)(1)(i) states that the date the joint research agreement was executed must be provided. However, the effective date of the agreement might be more

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appropriate for determining whether the requirements of 103(c)(2) have been met.

Section 1.71(g)(1)(ii) requires that the field of the claimed invention be stated. However, Pub. L. 108-453, 118 Stat. 3596 (2004) specifies in 103(c)(2)(B) only that the “claimed invention was made as a result of activities undertaken within the scope of the joint research agreement.” The scope of the contracted joint work is the information that will not be typically available to the public, but which will be critical to understanding the propriety of applying the provisions of the CREATE Act. To avoid unintended consequences caused by the differences between the language in the interim rule and the statute, we suggest that (ii) be revised as follows:

(ii) A concise statement of the scope of the joint research agreement; and

Consideration should also be given to adding a part 1.71(g)(1)(iii) that states:

(iii) A statement that the subject matter of each claim of the claimed invention was made on or after the [date of execution] [effective date] of the joint research agreement and as a result of activities undertaken within the scope of the joint research agreement.

This addition would parallel the showing required of an applicant in other contexts where the date of invention is used as a basis for removing information as prior art, and should remove ambiguity as to whether an applicant is asserting that the invention meets the requirements of 35 USC 103(c)(2), which cannot be assured based merely on the filing date of an application and a date of an agreement.

Section 1.71(g)(3) should be amended to conform to the requirements of paragraph (g)(1); namely (g)(3) should be amended to clarify that the certificate of correction should not only include the names of the parties to the joint research agreement, but also the further information required under (g)(1) (i.e., the items (i), (ii) and (iii) as suggested above, or the location where such information is recorded in the assignment records of the Office) for purposes of consistency.

### **SECTION 1.109**

Section 1.109 (b) makes obviousness type double patenting applicable to non-commonly owned applications and patents under reexamination for claims to patentably indistinct inventions regardless of whether they have the same or different inventive entity from that in another patent where the claimed invention under examination resulted from activities that were undertaken within the scope of a joint research agreement.

The rule should be revised or explained by the Office to make it clear that obviousness type double patenting is not applicable to the claims of the earlier patent and would not be provisionally applicable to a still pending earlier application either of which qualifies only as prior art under §102 (e), (f) or (g). Double patenting under part (b) should also not extend to prior art under §102 (a) or (b).

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We further note that the rule states that the inventions claimed in the application or patent under reexamination and in the other patent need to be made as a result of activities undertaken within the scope of the joint research agreement. There is no requirement in 35 USC 103(c)(2), however, that the other patent (elsewhere referred to as disqualified patent) need be made as a result of activities undertaken within the scope of the joint research agreement. To the contrary, the House Report makes clear that while the claimed invention in the rejected application must be made after the relevant date of the joint research agreement, the subject matter being excluded (i.e., disqualified as prior art) may predate such agreement, as long as it only qualifies as prior art under 102(e), (f), or (g).

Moreover, the rule should be redrafted to make section 1.109(b) inapplicable to entities or activities that do not claim benefit of the CREATE Act. The interim rule in its current form produces a denial of patent rights unintended by Congress in enacting the legislation. The rule should only go so far as is required to implement a statutory requirement. *In re Gay*, 309 F.2d 769 (CCPA 1962).

### **SECTION 1.321**

Section 1.321 (d) requires the filing of a terminal disclaimer to obviate an obviousness type double patenting rejection made under rule 1.109 (b) and sets forth the conditions that must be met.

However, the provisions of 1.321 (d)(4)(i) and (ii) appear to go too far in requiring waiver of the right to separately license the rejected application or patent and the disqualified patent or application and to agree that they will be enforceable only during the period that they are not separately licensed. H.R. REP. 108-425, H.R. Rep. No. 425, 108<sup>th</sup> Cong., 2<sup>ND</sup> Sess. 2004. 2004 WL 349693 at page 6 states:

Such a terminal disclaimer is sufficient if it disclaims the ability of the patent owner to separately enforce the patent that, but for this Act, would have been invalid for obviousness-type double patenting...

Further, Congress intends that parties with an interest in a patent that is granted solely on the basis of the amendments made pursuant to this Act [to] waive requirements for multiple licenses.

Further, the Senate Report (Senate – June 25, 2004, Page S7521) states:

Accordingly, in every situation where double patenting is created based upon the revised section 103(c), the patentably indistinct patent must include a disclaimer that will require the owner of that patent to waive the right to enforce that patent separately from the first-issued patent...

Additionally, the disclaimer required for the valid issuance of a patentably indistinct patent pursuant to the CREATE Act must apply to all owners of all involved patents, i.e., the owner of the patentably indistinct patents as well as the owners of any first-issued patents against which the disclaimer is made...

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Thus, the disclaimer of the separate enforceability of an indistinct patent cannot be assured unless the owner of a second indistinct patent has an agreement with the owner of the first-owned patent prohibiting the right of separate enforcement. The CREATE Act will not require the owner of a first-issued patent of an indistinct patent to enforce any such patent. Rather, the prohibition against separate enforcement described above is necessary to address the sole policy objective of preventing different patent owners from separately enforcing a first-issued patent and a related indistinct patent.

The terminal disclaimer waiver thus should be effective if it prevents the possibility of separate patent enforcements, and the ability to require separate licenses under both of the rejected application or patent and the disqualified patent or application. The House Report indicates that waiver of requirements for multiple licenses should be applicable to the licensing of the patent that issued as a result of invocation of the CREATE Act. Such waiver should not necessarily preclude the separate licensing of the disqualified patent or application where there may be no need for or interest by a third party to take a license on the rejected application or patent. Note that there is no corresponding prohibition against separate licensing of commonly assigned patents which are subject to a terminal disclaimer. It is only when such patents become separately owned, and thus separately enforceable, that the required waiver makes the disclaimed patent unenforceable.

The rule should consequently be revised to state that in addition to waiving the right to separately enforce each of the rejected application or patent and the disqualified patent or application, the owners of each of the relevant patents and applications waive the right to require separate licenses for such patents or applications (rather than waive the right to separately license such patents or applications). This should be explained to mean that where a licensee is practicing under an effective license granted by one of the owners under one of the patents or applications, the owner of the other patent or application cannot assert the other patent or application against the licensee, as this would be interpreted as an attempt to enforce such patent or application separately. Further, with the waiver of the right of separate enforceability and the waiver of the right to require separate licenses in place, the further agreement in (ii) appears superfluous, and should be deleted. Moreover, it should be made clear in the rule that the licensing waiver should only apply to prospective licensing actions.

Absent from the rule is any requirement for the owner of the disqualified patent to submit a copy of the jointly signed terminal disclaimer filed in the rejected application or patent under reexamination to the Office for placement in the file history of the disqualified patent. This is needed to provide notice to the public that the disqualified patent may become unenforceable if a violation of 1.321 (d)(4)(iii) occurs.

It also appears the rule only seems to contemplate filing of the terminal disclaimer after receipt of a double patenting rejection. There appears to be no reason why in practice the terminal disclaimer could not be filed at the time of entering an

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amendment pursuant to 1.71(g). While 1.321(d) does not appear to need be further revised in this manner, it is suggested that the comments make such possibility clear.

### **SECTION 3.11**

Section 3.11 permits the recording of the joint research agreement or an excerpt thereof and requires the names of the parties to the joint research agreement, an agreement date and concise statement of the field of the invention.

The rule should be amended to provide a concise statement of the scope of the joint research agreement, instead of a statement of the field of the invention. It would be a rare agreement that could define a field of the invention as the joint work may or may not lead to an invention. Also, it might be appropriate to specify the effective date of the agreement.

### **SECTION 3.31**

Section 3.31 (g) specifies the cover sheet requirements for recordation of joint research agreements or excerpts thereof. Paragraph (g)(4) might be revised to require indication of the effective date of the joint research agreement.

We hope that these comments are helpful. We note that 30 days is a short time period for a national association such as IPO to analyze a Federal Register notice, collect suggestions from its diverse membership, and review and adopt a position. In order to encourage as many comments as possible, we suggest a policy of normally giving the public at least 60 days to comment on Federal Register notices.

Sincerely,

A handwritten signature in cursive script, reading "J. Jeffrey Hawley". The ink is dark and the signature is fluid, with the first and last names being more prominent than the middle name.

J. Jeffrey Hawley  
President