

Subject: Comment: Interim Rule Implementing the CREATE Act of 2004

Attention: Robert A. Clarke

Dear Mr. Clarke,

Two questions have come up in connection with the USPTO's Interim Rule "Changes To Implement the Cooperative Research and Technology Enhancement Act of 2004" published at 70 Fed. Reg. 1818 (January 11, 2005); see <http://www.uspto.gov/web/offices/com/sol/notices/70fr1818.pdf> .

Question 1

Summary: The USPTO has taken the position that Section 3 of the CREATE Act changes the effective date of the American Inventors Protection Act of 1999 (AIPA), such that the AIPA now applies even to applications filed prior to November 29, 1999. See page 1819 in the above Federal Register. What research has the PTO performed to confirm that this is a correct interpretation of Section 3, such that the public can reasonably rely on this interpretation in the absence of any court decision on the question?

Details: As a preliminary matter, the Interim Rule actually states that the AIPA is now applicable to applications filed prior to "December 29, 1999", not "November 29, 1999" as stated above. However, in a telephone conversation with Ms. Terry Dey ((571)272-7730, OFFICE OF PATENT LEGAL ADMINISTRATION) on January 13, 2005, Ms. Dey confirmed that "December" was a typo for which "November" was intended.

Turning to the substance of this question, it is true that Section 2 of the CREATE Act replaces § 103(c) in its entirety, and that Section 3 states the Act applies to any patent granted on or after the date of the enactment of the CREATE Act. Taken at its face, it would seem that the PTO's interpretation is correct.

However, the legislative history of the CREATE Act very clearly indicates that the sponsors never considered that its enactment might change the effective date of AIPA. In its original House form, as introduced to the House on June 9, 2003 (see H.R. 2391 IH Introduced in House, Cong. Rec. House, June 9, 2003, page H5088), Section 3 of the CREATE Act specified "amendments made by this Act shall apply to any patent granted before, on, or after the date of the enactment of this Act." In this very-early version of the Act, the substantive change effected to § 103(c) was dramatically different from that eventually enacted, and by the time the bill was reported in the House on February 24, 2004 (see HR 2391 RH Reported to the House, Cong. Rec. House, February 24, 2004, page H574) the substantive change to § 103(c) was much closer (maybe identical) to that ultimately enacted. Importantly, the effective date provisions had been changed to the current "any patent granted on or after the date of the enactment of this Act". No mention was made as to the reasons for changing the effective date, but it cannot fairly be said that the intention was to affect AIPA too.

Moreover, the legislative history is clear that the focus of the CREATE Act was to undo the Federal Circuit's decision in *OddzOn v. Just Toys* (43 USPQ2d 1641 Fed. Cir. 1997). The record contains a few mentions of

this "narrow" focus of the CREATE Act. For example, in Senator Leahy's comments when S.2192 was introduced to the Senate on March 10, 2004, he stated:

"However, the Federal circuit in its ruling [in OddzOn] invited Congress to better conform the language of the Bayh-Dole Act to the intent of the legislation. The ``CREATE Act'' does exactly that by ensuring that non-public information is not considered ``prior art'' when the information is used in a collaborative partnership under the Bayh-Dole Act. The bill that my colleagues and I are today offering also includes strict evidentiary burdens to ensure that the legislation is tailored narrowly in order to solely fulfill the intent of the Bayh-Dole Act. I ask that my colleagues support the ``Cooperative Research and Technology Enhancement Act of 2004.'' " (See Cong. Rec. Senate, March 10, 2004, page S2559)

In view of this "narrow" focus, some might argue that it is not altogether clear that our Congress also intended to change the effective date of AIPA. Clearly, if an Applicant in a pre-1999 application relied on the PTO's interpretation to (for example) disqualify commonly assigned §102(e) prior art that had been applied in a §103(a) rejection, then the Applicant's patent might be invalidated if a court were to disagree with the PTO's interpretation. Accordingly, it is believed appropriate for the PTO to explain the basis for its interpretation, so that Applicants can decide for themselves whether to rely on it.

Question 2

Summary: The Interim Rule would require an amendment to the specification to disclose the names of the parties to the joint research agreement, and to "set forth the date the joint research agreement was executed and a concise statement of the field of the claimed invention". (Again at page 1819 of the above Federal Register.) The CREATE Act only requires a disclosure of the names. Why does the PTO require more, and in several very-real situations, is it even possible to comply with these additional requirements?

Details: Legislative history seems to suggest that Congress deliberately chose to define a "Joint Research Agreement" broadly. For example, in Mr. Sensenbrenner's Report from the House Committee on the Judiciary (dated February 24, 2004, see House Rpt. 108-425 on H.R. 2391), Mr. Sensenbrenner states:

"Section 2 also defines the term `joint research agreement' as a `written contract, grant, or cooperative agreement.' By doing so, Congress does not intend to prescribe the specific form of the agreement parties must use to benefit from this Act nor to require the writing be contained in a single instrument. Congress does intend the writing to demonstrate that a qualifying collaboration existed prior to the time the claimed invention was made and that the claimed invention was derived from activities performed by or on behalf of parties that acted within the scope of the agreement.

"The term `joint research agreement,' used in section 2 of the Act, is not limited to joint research agreements under the Bayh-Dole

Act (Sec. 200 et seq. of the Patent Code), but also includes other governmental or private sector cooperative research agreements, development agreements, and other transaction agreements, including Government Cooperative Research and Development Agreements (15 U.S.C. 3701a), and Department of Defense or National Aeronautics and Space Administration (NASA) 'other transaction' agreements (10 U.S.C. 2371, 42 U.S.C. 2473" (House report, page 9)

The PTO's Interim Rule does not appear to follow the flexibility envisioned by Congress. Congress would allow multiple different writings, entered on multiple different dates. This is a reality in actual practice, where the participants to a joint research effort do not all join on the same date, but rather join in individually, some on later dates than others. But the PTO rule would appear to envision only a single writing on a single date. Since the CREATE Act does not require this information anyway, why does the PTO require compliance with a rule that could not be followed in many real-world joint-research efforts?

Thank you for your attention.

Very truly yours,
Michael K. O'Neill

These questions are submitted on behalf of an individual member of the Orange County (California) Patent Lawyers Association.

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