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January 26, 2004

VIA FACSIMILE
703-308-7953

and by mail

Mail Stop Interference
Director
U.S. Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Re: Consolidated Board Rules

Sir:

Below are comments on the proposed new Rules of Practice Before the Board of Patent Appeals and Interferences, published November 26, 2003, 68 F.R. 66648. I appreciate the opportunity to comment on the proposed rules.

These comments are my own, not those of my Law Firm or any other organization, but they represent decades of practice in interferences and *ex parte* appeal cases.

1. Real Party in Interest.

Proposed § 41.37(c)(1)(i) calls for identification of the real party in interest, in appeal briefs. The only explanation is "A statement identifying by name the real party in interest." My understanding is that when an application is assigned to a subsidiary corporation, the "real party in interest" is not the assignee, but the top tier parent corporation (or corporations, in the case of joint ventures). I have frequently been amazed that other attorneys do not always share this view, and they think that the "real party in interest" is just a fancy way of saying the assignee, even when the assignee is a subsidiary corporation. If my view is correct, I suggest a clarifying remark that "When an application is assigned to a subsidiary corporation, the 'real party in interest' is not the assignee, but the top tier parent corporation (or corporations, in the case of joint ventures)."

I did not find a corresponding rule for contested cases or interferences, but I think there should be such a requirement in contested cases, perhaps as part of a re-named § 41.108.

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2. Termination Date in Contested Cases.

Proposed § 41.128 says a case is terminated when a notice of appeal under 35 USC 141 is filed or a civil action under 35 USC 146 is commenced. A more accurate statement would be that a case is *suspended* when a notice of appeal under 35 USC 141 is filed or a civil action under 35 USC 146 is commenced, and the case is *terminated* when the appeal or civil action is terminated, as presently set forth in 37 CFR 1.197(c) and 1.661, and MPEP 1214.06, 1216.01 and 2361. A significant consequence in the new rule would be that according to the new rule, settlements of interferences after conclusion of the PTO proceedings, but during a 146 action, are not to be recorded. This has two undesirable consequences.

(A) Parties who do not want to record their agreement might commence a 146 action, then sign their agreement, and not record it. The 146 action does not even need to be served, as it can be dismissed without even formally serving the complaint.

(B) Parties who actually do begin a 146 action and then settle will not record their agreements, either, and if they try, they may be turned away by the PTO. Someone will eventually attack a patent on the basis that a settlement agreement signed after conclusion of PTO proceedings, but before the 146 action was completed, was not filed in the PTO. A judge may say that the interference was not really *terminated* until the 146 action was terminated, regardless of what § 41.128 says, and hold the patent unenforceable under 35 USC 135(c).

Neither of these results was intended when Congress enacted 35 UCS 135(c). Both of these unfortunate consequences can be avoided, however, by retaining the present rule that “It’s not over until it’s over.”

3. Two-Way Unpatentability.

Proposed § 41.203 codifies the “Two-way unpatentability” standard. I believe this is contrary to the intent of 35 USC 135(a), which says “Whenever [a first] application . . . would interfere with any [second] pending application, or with any unexpired patent, an interference may be declared . . .” The Statute says nothing about the second application or the patent interfering with the first application, or that they must interfere with each other. In other words, the Statute dictates a one-way test.

A one-way test is at least appropriate when a patent is issued which is junior in filing date to a pending application, and the patented claims are unpatentable over the application if the invention of the application was invented first. In such a case, the patent would not have issued if the senior application had issued first, and had been cited in the prosecution of the patent. The right to a patent should not depend on whose application happens to be examined first.

4. Preliminary showing by junior applicants.

Proposed § 41.202(d)(1) continues the showing previously required by junior applicants under Rule 608. No similar preliminary showing is required of junior patentees, no matter how junior.

This is an injustice. The right to a patent should not depend on whose application happens to be examined first.

5. Presumption of suppression.

Proposed § 41.207(d) creates a presumption of abandonment, suppression or concealment of the invention if no application is filed until a year after actual reduction to practice. While this is a good rule, the enacting regulation should make it clear that it does not apply retroactively, *i.e.*, that it only applies to actual reductions to practice after the rule was established. Otherwise, some poor applicant will have suppression imputed to his or her application, with no way to overcome it, when the application was filed in accordance with the law at the time the invention was made.

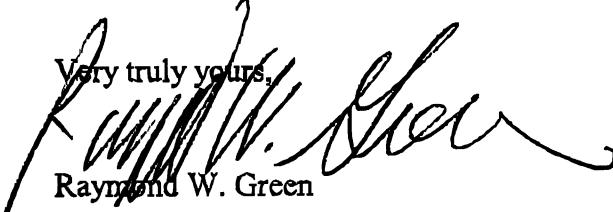
6. Duty of Patentee in Interference to Disclose Material Information.

No proposed rule requires that patentees involved in interferences disclose information they know that is material to patentability. As a result, interferences can be declared involving patents known to the patentee to be invalid, perhaps as a result of knowledge learned in foreign prosecution, or domestic prosecution of a similar (but not formally related) application, or as a result of facts established in litigation, or just facts the prosecuting attorney should have known about during prosecution but did not, or of which the prosecuting attorney did not appreciate the significance. Requiring patentees to either tell what they know that is material to patentability or to abandon the contest would eliminate a few interferences that should not go forward with priority determinations.

Such a rule is required to put both patentees and applicants on even footing. There are explicit rules for disclosure of material information in patent applications and in reexaminations, and some will argue that the absence of an explicit interference rule means the PTO does not require such disclosure because the PTO believes it does not have jurisdiction to do so.

While it may appear that such a rule is unnecessary, because no one would fight an interference over a patent that is known to be invalid, let me assure you that there are people who would. The rest of us should not let them hide behind the absence of an explicit rule.

Very truly yours,



Raymond W. Green