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 IPO Immediate Past President

January 26, 2004

The Honorable Jon W. Dudas  
 Acting Undersecretary of Commerce and Acting  
 Director of the United States Patent and Trademark Office  
 United States Patent and Trademark Office  
 Mail Stop Interference  
 P.O. Box 1450  
 Alexandria, VA 22313-1450

**Re: Reply to Notice of Proposed Rulemaking for Rules of Practice Before the Board of Patent Appeals and Interferences 68 Federal Register 66648 (November 26, 2003).**

Dear Mr. Dudas:

Intellectual Property Owners Association (IPO) appreciates the opportunity to comment on the revision to the rules of practice before the Board of Patent Appeals and Interferences (“Board”) proposed by PTO.

IPO is a national trade association for owners of patents, trademarks, copyrights and trade secrets. Our association has nearly 100 corporate members and more than 140 law firm members that practice in front of the USPTO. Our corporate members file approximately 30 percent of the patent applications that are filed in the U.S. by U.S. Nationals and pay more than \$200 million in user fees to the USPTO each year.

IPO supports the PTO’s goals of increasing the number of administrative patent judges, continuing outreach programs to educate parties and examiners about Board operations, and continuing to restructure and improve Board operations to make proceedings more consistent and efficient for all parties involved. We believe that the proposed rules would implement many positive changes to the practice before the Board and would contribute to achieving these goals. Some of the proposed changes, however, although characterized as consolidations and simplifications, may instead cause confusion or significant problems for both the PTO and the parties involved.

We have detailed our comments on the proposed rules by section below:

**PART 41 – Subpart A – General Provisions**

In view of the definition of “proceeding” provided in proposed Section 41.30, we recommend that a definition of “Board proceeding” be included in proposed Section 41.2, to avoid possible inconsistencies between the requirements of proposed Section 41.7(b) and those of proposed Section 41.37(c)(1)(ix).

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## PART 41 – Subpart B – Ex Parte Appeals to the Board

Section 41.33 proposes to restrict permitted amendments, affidavits, or other evidence which may be submitted after a proceeding has been appealed. We believe these proposed additional constraints are unnecessary, as the Office already has nearly absolute discretion over whether to enter any amendment or new evidence after a final rejection and/or appeal. The current practice allows for some flexibility, which may increase the overall efficiency of some proceedings and promote speedy resolution of outstanding issues. We recommend that the current practices of permitting amendments (within the requirements of Rule 116) and affidavits or other evidence (upon a showing of good and sufficient reasons why such evidence was not earlier submitted) after appeal has been taken be continued. Maintaining such potential flexibility with respect to an appellant's permitted actions would also be consistent with the proposed changes to appeal practice directed towards allowing examiners to include new grounds of rejection in an answer (see rule 41.39(a)(2)) and to file supplemental answers (see rule 41.43) to the extent both actions are intended to facilitate a speedy final resolution to outstanding issues on appeal. While a flexible approach as provided under present rules is preferred, if the more limited practice is adopted, the proposed Section 41.33(b) should also include a reference to the proposed Section 41.50(c) as to permitted amendments.

Section 41.37(c)(1)(v) proposes to require, for each claim involved in the appeal, that every means plus function and step plus function as permitted by 35 U.S.C. 112, sixth paragraph, be identified and the structure, materials, or acts described in the specification as corresponding to each claimed function, be set forth with reference to the specification. While it may be appropriate to make such a requirement where the scope of any particular means plus function or step plus function is at issue with respect to a particular rejection, we believe that it is unnecessary to make such requirement for every claim in every ex parte appeal and may be potentially damaging (e.g., with respect to *estoppel* based on improper designations, even where such designations play no part in any issue on appeal). We recommend deleting this requirement from the proposed rule.

Section 41.39(a)(2) proposes to allow a new ground of rejection to be included in an examiner's answer. The commentary indicates that such proposed change would not be open-ended, but rather is intended to be rare in application; however, the actual proposed rule does not provide any restriction. We are concerned that an open-ended rule would encourage early piecemeal prosecution. Given that the primary motivation behind this proposal as described in the commentary is to enable examiners to address new arguments made in an appeal brief, we propose that any new grounds for rejection included in an examiner's answer be limited to new rejections made in response to any argument presented for the first time in an appeal brief.

Section 41.39(b) proposes to set a two-month time period for an appellant to respond to any new ground for rejection included in an examiner's answer (by either requesting prosecution be reopened under 41.39(b)(1), or by maintaining the appeal under 41.39(b)(2)), and Section 41.39(c) indicates that extensions of time under Section 1.136(a) are not applicable to the time period set forth in this section. As the relevant exception to applicability of time period extensions under proposed Section 1.136(a) is directed towards filing of a reply brief pursuant to Section 41.41, but not necessarily to requesting reopening of prosecution and submission of an appropriate reply under Section 1.111, we suggest that the proposed Section 41.39(c) be changed to state that extensions under Section 1.136(a) are not applicable to the time period set forth in this section for filing a reply brief under paragraph (b)(2) of this section. This would permit an appellant to obtain an appropriate extension of time, if desired, for filing of a response when re-opening prosecution under paragraph (b)(1).

We suggest that proposed Section 41.47(e) be changed to indicate that appellant may only rely on evidence that has been previously entered and considered by the primary examiner and

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present an argument that has been relied upon in the brief or reply brief, unless good cause is shown for consideration of new arguments or authorities, consistent with proposed Section 41.37(c)(1)(vii). Similarly, Section 41.52(a) should be changed to allow for submission of new arguments or evidence in a request for rehearing upon a showing of good cause. These changes would be particularly useful in permitting an appellant to cite new relevant decisions which were not previously available.

We note that the proposed rules include no time limit for an appellant's response required under proposed Section 41.50(a)(2). We recommend that any set period for a response, along with the time period set in proposed Section 41.50(b), be extendable under Section 1.136(a) for the purposes of filing a response when requesting re-opening of prosecution. We recommend that Section 41.50(f) be changed in a similar way as Section 41.39(c) discussed above.

The proposed rules for Section 41.39 are also unclear as to fees paid by applicants in situations where the prosecution has been reopened in a case at the request of the applicant in response to a new ground of rejection included in the examiner's answer. In such a case, an applicant should not be required to re-pay fees for notices of appeal and filing of briefs because an appeal is subsequently reinstated.

We recommend that proposed Section 41.50(a)(2) be changed to indicate that the appellant must exercise one of the indicated two options to avoid *sua sponte* dismissal of the appeal as to the claims subject to the relevant associated rejection, rather than all claims under appeal.

### **PART 41 – Subpart C – *Inter Partes* Appeals to the Board**

Our comments above on proposed Sections 41.33, 41.37, 41.47, and 41.52 also apply to proposed Sections 41.63, 41.67, 41.73, and 41.79, respectively.

### **PART 41 – Subpart D – Contested Cases**

Sections 1.322 – 1.323 propose that, when a patent is involved in an interference, the Request for Certificate of Correction filed by the patentee must comply with the requirements of these sections and must be accompanied by a motion as proposed under § 41.121(a)(2). Proposed rule 41.121(a)(2) addresses only responsive motions which are filed to cure a defect raised in a notice of requested relief or in a substantive motion. There are, however, circumstances wherein a patentee desires correction of a patent prior to the date for filing responsive motions. This could occur when the patentee independently recognizes that an error has been made. As a result, the reference to proposed rule 41.121(a)(2) may be too limiting. We therefore recommend that these proposed rules refer to rule 41.121(a) rather than rule 41.121(a)(2).

Section 41.102 proposes that the Board is not authorized to initiate a contested case prior to completion of any pending reexamination of each involved patent. The flexibility of this rule may allow some patentees to prevent or delay initiation of a contested case by initiating reexamination upon receipt of a notice that its claims have been copied. In some situations, this could prevent the just, speedy and inexpensive determination of the contested proceeding. We recommend that the proposed rule be modified when the request for reexamination is made after receipt of a notice of an impending contested case. Alternatively, the rule might be revised to state that no request for reexamination will be considered until after the resolution of an impending contested case. This change would prevent any intentional delays in resolving issues in a contested case by the filing of a request for reexamination.

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Section 41.103 of the proposed rules states that the Board has jurisdiction over any involved file, and that other proceedings for the involved file within the office are suspended except as the Board may order. This rule does not specify when such a suspension will be lifted and when an applicant must act after the suspension is lifted. We recommend that written notice be provided to each applicant of a suspended case when the suspension has been lifted and that this notice indicate what action is necessary to prevent abandonment of the application. This additional clarification would provide parties to the contested case an explicit schedule for filing necessary actions and prevent pending applications from becoming abandoned.

Section 41.105 proposes that an *ex parte* communication about a contested case with a “Board member or a Board employee conducting the proceeding is not permitted.” This rule does not specify who is “a Board employee conducting the proceeding,” or whether there are any exceptions to this proposed rule. For example, the commentary suggests the intent of this proposed rule is not to preclude contacting Board paralegals or staff to set up telephone conferences between counsel and a Board member. Presently, practitioners routinely conduct *ex parte* communications with paralegals and staff to set up telephone conferences with Administrative Patent Judges. This practice is more efficient and less costly than requiring counsel from both sides to be present to initiate calls with a Paralegal or other staff member. We recommend that the proposed rule be modified to delete “or a Board employee” and identify the exceptions found in the commentary to the proposed rule.

Section 41.106(e)(4) proposes that the date service is received does not count in computing the time for responding to time deadlines in a contested case. In contrast, other proposed rules (e.g., proposed rule 41.123) set due dates based upon the date of service of a paper. We recommend that the proposed rule be revised to address this inconsistency and state that the date of service does not count in computing the time for responding to such deadlines.

Section 41.106(f)(3) proposes requirements for certificate of service. Section (i) of the proposed rule states that the certificate of service must include the name of “each” paper being served. It appears to be unnecessary to list “each paper” served when a separate certificate of service must be filed for each paper served. We recommend that the proposed rule be amended by replacing “each” with “the.”

Section 41.110(b) proposes that a party must provide an annotated copy of claims. This requirement, under current interference practice, has been made without *estoppel* effect. The proposed rule should not preclude a party from subsequently arguing that the claims mean more or less than that asserted in the annotated claims, particularly in view of the fact that the paper is due early in the contested proceeding, e.g., at a time when counsel may not have an opportunity to speak with those of skill in the art. We therefore recommend that the proposed rule be modified to state that each party must provide a “good faith” annotation. In addition, the proposed rule should allow a party to move for modification of the annotated copy of claims upon recognition of the needed modification. These amendments are consistent with proposed rule 41.120(c).

Section 41.110(c) proposes that any motion to amend a claim or add a “reissue” claim must include an addendum containing a clean set of claims. Under current interference practice, parties are already required to submit such an addendum when a claim is added to any pending application. We suggest removing the term “reissue.” Section 41.121(b) proposes that the party filing a motion has the burden of proof to establish that it is entitled to the requested relief. The proposed rule correctly puts the burden on the moving party, but does not state the burden to be met. Under current interference practice, a movant has the burden of proof and must meet that burden by a preponderance of the evidence. We recommend that the proposed rule be modified to state that the burden of proof is a preponderance of the evidence unless otherwise stated. This modification will remove questions as to the burden and help to secure a just, speedy and inexpensive resolution of contested cases.

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Section 41.123(b)(2) proposes that an opposition to a miscellaneous motion may not be filed without authorization and then sets default times for acting. We recommend that the default times be removed from the proposed rule because it will be the rare case when the Board can authorize an opposition and a party can prepare an opposition within five business days of the filing of a miscellaneous motion as currently specified in proposed rule 41.123(b)(2)(i). Further, if authorization for the filing of an opposition is required, the Administrative Patent Judge will always have the opportunity to set appropriate dates for the filing of such an opposition.

Section 41.124(c) proposes that a party would have 20 minutes to present its oral argument, including any time for rebuttal. Read in conjunction with § 41.124(a), this proposed rule could be interpreted to mean that a party would be granted 20 minutes of argument for each issue raised. We recommend that the proposed rule be clarified to state that a party has 20 minutes to present its oral argument, without regard to the number of outstanding requests for oral argument. In addition, there may be some cases where a party may need more than 20 minutes to present its argument because of number of issues raised and/or complexity of these issues. In such cases, a party should be permitted to request additional time in advance of the hearing.

Section 41.124(e) proposes that a transcript of an oral argument may be filed with the Board. We recommend that this proposed rule be modified to state that the transcript will be made a part of the record upon its filing. Under the proposed rule, it is unclear whether the transcript is placed in the official record. Including the transcript in the official record is particularly relevant when Federal Circuit and/or district courts hears the contested case on appeal and could clarify what issues were raised previously.

Section 41.128 appears twice in the proposed rulemaking. Based on the commentary, it appears that the second occurrence should be 41.129.

Section 41.155(b)(1) proposes that objections to evidence must be submitted within five business days of service of the evidence. In the case of complex motions such as motions for judgment based upon priority, a party could serve thousands of pages of evidence that would need to be reviewed. We recommend that the proposed rule be revised to permit a party to move to have additional time to object to evidence when the evidence is extensive, and that the filing of such a request automatically provides ten days to file such objections. We also note a typographical error in the numbering of section 41.155.

### **PART 41 – Subpart E – Patent Interferences**

In Section 41.200(a), “Subpart C” should be “Subpart D.”

Section 41.201 proposes a definition for “constructive reduction to practice.” This definition is too narrow in requiring description and enablement of “an embodiment” within the scope of the interfering subject matter. When a count is generic, description and enablement of the entire interfering subject matter, a subgenus within the interfering subject matter or a specific species within the interfering subject matter constitutes a constructive reduction to practice. We recommend that the rule or commentary clearly state that this proposed definition does not require a written description of a specific species within the scope of the interfering subject matter. Such a clarification would make the rule consistent with existing interference practice and case law.

Section 41.202(a)(2) proposes that when an applicant suggests an interference, he identify all claims the applicant believes interfere and show how they “should” correspond to one or more counts. We recommend deleting the word “should” from this description to avoid confusion.

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Section 41.202(b) precludes patentees from suggesting an interference but then permits a protest to be filed to the extent allowed under rule 1.291. Given that it is rare that a third party will be able to discover an application in order to file a protest until after it is published, we suggest deleting the reference to the ability to file a protest, or to include a citation to current rule 1.99. Rule 1.99 expressly prohibits submissions of anything except within two months of publication of the application and even then only unmarked copies of patents and publications may be filed without explanation.

Section 41.203 proposes a definition for interfering subject matter. This definition involves a two-way analysis inquiring whether the subject matter of a claim of one party would, if prior art, anticipate or render obvious the subject matter of a claim of the opposing party and vice versa. While this test follows recent Board and Federal Circuit case law, we recommend changing the test to a one-way analysis. This change would prevent the improper issuance of a genus claim to a party when another party invented a species within the genus prior to the invention of the genus. IPO submitted additional comments on this subject to the PTO in February 2001.<sup>1</sup>

Section 41.204(a) proposes to define the requirements of a priority statement. The proposed rule provides that the statement “must include all bases on which the party intends to establish its entitlement to a judgment on priority and must include documentary support for each basis when the documentary support is a unique record under the control of the party or its real party-in-interest.” Contrary to the description in the commentary that this proposed rule greatly simplifies the formal requirements of current preliminary statement practice, the rule instead appears to be a requirement for a party to expose its entire priority case and a requirement to submit all of its priority proofs. The proposed rule is also unclear as to what is required and should be amended to specifically state the requirements of the filing. To the extent that this proposed rule intends to encourage the filing of preliminary statements, we recommend revising the proposed rule to be consistent the practices defined in current rules 1.621-629. We also recommend clarifying the timing of these statements.

Section 41.207(d) proposes to presume that a party has abandoned, suppressed or concealed interfering subject matter if the accorded date of the party’s earliest constructive reduction to practice is more than one year after the party’s actual reduction to practice. We recommend that this provision be deleted in its entirety. First, a finding of abandonment, suppression and/or concealment is a legal conclusion based on underlying factual inquiries. Thus, it should be decided on a case-by-case basis as consistent with existing case law.<sup>2</sup> Further, to the extent that this provision was intended to conform to other “statutory” provisions of the law, this change should be made through statute, not rule, particularly since there is no case which presumes abandonment, suppression or concealment based upon a one year period between actual reduction-to-practice and earliest constructive reduction-to-practice. Placing such a restrictive burden on applicants and patentees without prior legal authority prejudices those who rely on the consistent application of the law.

Section 41.208(a)(4) proposes seeking judgment on the issue of priority or derivation through motion practice. However, the mechanisms contemplated for resolving such issues are not specified, creating the potential for confusion. For example, it is unclear who must file such motions. In the first instance, the senior party could file such a motion based upon benefit dates alone. At the same time, a junior party could file a motion based upon actual evidence of conception and actual reduction to practice. Since these motions could potentially cross in the mail, the senior party would not know whether or not it would need to present its own proofs of conception and actual reduction to practice

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<sup>1</sup> IPO submitted comments on this issue to the USPTO on February 28, 2001 in response to the notice titled, “Standards for Declaring a Patent Interference,” 65 Fed. Reg. 79809 (Dec. 20, 2003). Past IPO Comments are available at [www.ipo.org/IPOPositionStatements](http://www.ipo.org/IPOPositionStatements).”

<sup>2</sup> See *Checkpoint Systems v. U.S. Int’l Trade Comm’n*, 54 F.3d 756, 35 U.S.P.Q.2d 1042 (Fed. Cir. 1995).

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until after it reviewed the junior party's motion and evidence. Alternatively, the senior party could initially present all of its proofs of conception and actual reduction to practice. However, this would be an extreme waste of resources in those cases where the junior party does not actually file the motion it previously indicated that it would file, or in those instances where the junior party's priority proofs are insufficient to meet its burden of proof. The timing of such motions is also unclear. While the commentary to the rule suggests that there will ordinarily be a second phase in the interference for resolving priority and derivation issues, it is unclear under what circumstances, if any, an Administrative Patent Judge will require the filing of such motions prior to the resolution of either threshold issues or count scope issues. We suggest clarifying this proposed rule. Clearly, a party in an interference should not be required to expend its resources to present a costly priority case when the other party has no standing. Similarly, a party to an interference should not be required to present priority proofs at a time in the interference when the count has not been finally resolved.

Section 41.208(c)(4)(ii)(A) proposes to require a party submitting a motion to broaden a count to show why the broadened count does not include prior art subject matter. This provision, thus, requires a movant to prove a negative, which is impossible and we recommend that it be deleted.

Section 41.208(c)(5)(i) proposes to require a party to show in a motion to add a claim why the added claim "would be patentable in the patent or application" and thereafter states that the showing of patentability must "include" a showing of where the disclosure of the patent or application provides written description of the subject matter of the claim. This provision is somewhat confusing as written. Under current practice, the showing of patentability necessary by the movant is a showing of written description.<sup>3</sup> Otherwise, the moving party would bear the burden of proving a negative, e.g., that its claims are enabled or patentable over prior art. An opposing party may attack the motion if the proposed claims are not enabled or unpatentable in view of prior art. We recommend that the proposed rule be revised to require a showing of written description support with the filing of the motion.

Section 41.208(c)(5)(iii)(B) proposes a requirement for designating a claim as not corresponding to a count. The moving party is required to provide an explanation why the claim does not interfere with "any claim of an opponent's involved patent or application." We recommend that this requirement be deleted from the proposed rules as it is not clear why the provision is needed. Many interferences involve two or more counts. A claim could be properly designated in these cases to correspond to only one of the counts but not both counts. Under the proposed rule, however, a party could never make the requisite showing that its claim was incorrectly designated to correspond to one of the counts when there are other involved claims of its opponent that are interfering within the meaning of proposed rule 41.203(a).

Respectfully,



J. Jeffrey Hawley  
President

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<sup>3</sup> See 1217 Off. Gaz. Pat. & Tm. Office 17-18 (1998).