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Via Electronic Mail

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IBM Corporation Comments regarding “Changes to Implement the Preissuance Submissions by Third Parties Provision of the Leahy-Smith America Invents Act”, including Proposed Rule Amendments for 37 C.F.R. § 1.290

IBM thanks the United States Patent and Trademark Office (“Office”) for the opportunity to comment on its proposed changes to implement the preissuance third party submissions provision of the Leahy-Smith America Invents Act (“AIA”). Our comments herein are primarily focused on increasing certainty for all participants in the preissuance process and insuring the legislative intent is clearly followed in the proposed rules.

Eligibility as and Identity of “Third Parties”

It is noted with approval that the proposed rules comply with the statutory requirement that 122(e) is open to submission by “any third party”, not simply patent practitioners and inventors. This position appropriately acknowledges the examiner’s responsibility to independently weigh both the reference document and the concise description of relevance submitted, and is also supported by the actual results of the Peer-to-Patent pilot, which amply demonstrated the ability of non-practitioners to provide references and commentary of value to the USPTO.

Consistent with statutory intent, the proposed Rule 1.290 makes it clear that 122(e) is not an alternate mechanism for applicants to submit prior art to the Office. The requirement under 1.290(d)(i) that the submission include a statement that the party making the submission is not an individual with a duty to disclose with respect to the application under Rule 1.56 appropriately draws that limit. This may need to be explained to the general public in the instructions, since it may be unfamiliar to non-practitioners. For additional clarity, it is strongly suggested the regulation also explicitly state that affirmative identification by the third party submitter is not required. Furthermore, to the extent identifying information is

collected by the Office for fee or other administrative purposes, such identifying information should be kept confidential by the Office and processes should be established to safeguard inadvertent entry of identifying information into PAIR/IFW. So that preserving anonymity of third party submissions is not more costly for practitioners than non-practitioners, the Office should also consider amending rule 11.18(a) by excepting preissuance submissions from the general requirement that practitioners sign all papers submitted to the Office.

Timing Considerations & EFS - Web Legal Framework

The Office implicitly acknowledges the need to change aspects of the Legal Framework for EFS –Web. It is suggested the public be permitted to review and comment on such proposed changes.

In its discussion, the Office demonstrates its recognition of certain timing issues inherent in the statutory structure. Specifically, the timing window is defined by dates of actions taken by the Office which are not definitively within the knowledge of third party submitters at the time of submission (e.g. date of first rejection, date of notice of allowance), with submissions being required *before* such actions of the Office. Moreover, the lack of certainty regarding the duration of the timing window may be further exacerbated by the existence of delay (however small) between official action and availability to the general public of information regarding whether such official action has occurred. In essence, there is present a “race condition”.

The Office proposes to “protect applicants” by inserting a review step in between submission by third parties and entry of such submission into the record. It indicates an intention to complete such review “promptly” following the receipt of the submission such that the submission is “quickly” entered into the record. It is strongly suggested the Office define “promptly” and “quickly” in more definite, quantitative terms. Given the standing expectation that other papers submitted through EFS-Web be available in PAIR/IFW within one hour, it is suggested that both be defined in terms of hours, rather than days. It is further suggested that the submission form be separated from the submitted documents before entry into PAIR/IFW, such that the bibliographical information identifying non-patent references is visible in PAIR/IFW when the non-patent literature is not.

It is further suggested that applicants are not the only parties in need of “protection” here, given the requirement of 122(e)(2)(C) that third parties affirm their submission is in compliance with the section together with the requirements

of Rule 11.18(b). It is not sufficient for the Office to merely assert the warning “submit at earliest opportunity.” Some explicit guidance is required as to what constitutes “reasonable inquiry” insofar as ascertaining whether a first rejection or notice of allowance has been issued by the Office, and how one would be conveniently enabled to demonstrate such reasonable inquiry. Better still would be for the Office to build into EFS-Web a feature which automatically and immediately notifies a submitter when an identified application is no longer eligible to receive third party submissions, and prevents a submission outside the statutory timing window. Given that third party submitters are not necessarily intimately familiar with the patent system, such automation would enhance user experience and increase overall accuracy and efficiency. Alternatively, the Office should provide some reliable means for querying up-to-date status which is documented and self-authenticated. Additionally, PAIR/IFW could include a status entry indicating the application is closed to further third party submissions. With regard to the special timing issues of preissuance submission, the Office is the entity with the most current and complete information and the only entity that can help parties avoid untimely submissions; it should proactively employ its IT systems to eliminate, or at least drastically reduce, that possibility. Such capabilities implemented in software would have the added advantage of automating a portion of the review step the Office proposes to insert.

On a related note, it is suggested the Office implement additional features to enhance user experience, keeping in mind that users may be practitioners or non-practitioners:

- EFS-Web should conveniently provide a submitter with the priority date of the application in interest to facilitate identification of proper prior art.
- The patent home page of the Office’s web site should have a prominent link for preissuance submissions.
- The main home page of the Office’s web site should include an announcement regarding preissuance submissions which directs the general public to the patent home page for further information.

The Office has stated it “may” attempt to notify third party submitters that their submission was non-compliant. More certainty is required. Third parties should be notified of non-compliance at least as promptly as compliant submissions are entered into IFW. Moreover, such notice should specify in what manner the submission is non-compliant.

The Office should explicitly address the treatment under Rule 1.290 of applications in which prosecution has reopened after a notice of allowance has been given/mailed and the events of 122(e)(1)(B) have not occurred. It is unclear whether the Office deems it permissible to make a submission in such instances, though such submissions would seem to be consistent with statutory intent. Clarification is requested.

Statement of Relevance

The Office is asked to clarify and expound further regarding what is needed to fulfill the requirement for a statement of relevance with regard to the following points:

- The Office has stated the description should explain “why” the document has been submitted and “how” it is of potential relevance. We suggest the requirement to explain “why” be eliminated as unnecessary; submitters are presumably submitting documents because they consider them relevant to the examination of the application and they are already required to explain the relevance.
- The Office has outlined examples of “best practices”, which would presumably be considered compliant. It has also indicated that a “bare statement that the document is relevant does not amount to a meaningful concise description”, but more clarity is required as to where the threshold level of compliance is. Below is shown a spectrum of various kinds of potential statements in differing degrees of detail. It would be instructive for the Office to respond to and further develop examples of this type to help potential submitters understand what is expected of them, with particular identification as to which of these statements would “amount to a bare statement that the document is relevant” or be otherwise insufficient to meet the relevance threshold. The Office might also consider developing a form including alternative acceptable styles of indicating relevance.
- On a related note, the Office should clearly state what language should be used to indicate that a submission does not constitute prior art. This will provide clarity for the examiner and avoid placing an unnecessary burden of establishing dates for non-patent publications where the date is not apparent from the document on a third party submitter.

Sample statements of relevance.

See reference.

See reference page x.

See reference paragraph y on page x.

Reference discloses/may disclose the invention.

Reference discloses/may disclose [excerpt from claim preamble].

Reference discloses/may disclose the invention as claimed in at least claim x.

Reference discloses/may disclose the invention as claimed in claims x and y.

Reference discloses/may disclose element x of claim y at page z.

Reference discloses/may disclose aspects of elements w and x of claim y at page z.

Reference A combined with Reference B discloses/may disclose the invention.

Reference A combined with Reference B discloses/may disclose [excerpt from claim preamble].

. . .

Reference A discloses/may disclose element x, and Reference B discloses elements y and z.

Compare fig x [or table] of reference with fig y [or table] of the pending application.

Compare fig x [or table] of reference with claim y.

Term "Term1" used in the reference corresponds to Term "Term2" in the pending application.

See attached claim chart.

- Further elaboration is requested as to what the Office would consider to be "verbose", in terms of page or word limits.

Avoiding Cumulative Submissions

The Office has expressed a desired to avoid receiving cumulative submissions. In IBM's view whether a submission is considered by the Office to be "cumulative" should be based on the entire submission, including not only the document itself, but also the statement of relevance. Two third parties could have very different understandings of the relevance of a document, each of which, as reflected in a statement of relevance, could be helpful to the Office. With that recognition, we suggest the following:

- Provide an automated means for EFS- Web to check a third party's draft submission against references already submitted in an IDS or already submitted in an earlier third party submission and identify such references to the third party submitter. Such identification should make it convenient for the third party submitter to review the existing statements of relevance before proceeding with her own submission, such that she is more readily enabled to avoid a truly cumulative submission.
- Provide explicit guidance as to whether (and under what circumstances), for purposes of third party submissions, submission of documents not referenced in an IDS but cited in the background or other section of the application of interest would be considered cumulative or otherwise non-compliant.
- Provide a convenient and efficient means by which references submitted more than once are flagged and associated statements of relevance made readily accessible for examiner's review.

Fees

The Office proposes to provide an exemption from the fee requirement where a preissuance submission lists three or fewer total documents and is the first preissuance submission submitted in an application by a third party or a party in privity with the third party. The Office's comments indicate the motivation for such a requirement is to avoid submission of large numbers of less relevant documents. While the general idea of a fee exemption for the first three documents submitted is received with approval, the inclusion of the "not in privity" requirement results in problematic uncertainty and penalizes the anonymous or those without legal or patent experience.

The introduction of the word "privity", a vague common law term with a variety of meanings and nuances, presents complexity and uncertainty without actually solving the problem intended to be addressed. One legal dictionary defines privity as "a relationship between parties out of which there arises some mutuality of interest".¹ Another one defines it as "mutual or successive relationship to the same rights of property"². While there are some common threads in these definitions, the scope of these two definitions would appear to be rather different. Whether either of these meanings or some other meaning is intended by the Office is not clear. Is the Office merely trying to prevent

¹ See Barron's Law Dictionary, Third Edition, p.374

² Ralf Rinkle, *The 'Lectric Law Library Legal Lexicon*, <http://www.lectlaw.com/def2/p165.htm> (2012).

deliberate collaboration with the intent to avoid fees? How, exactly, does one know whether privity obtains? Are parent/subsidiary companies in privity? Professors and students? In-house and outside counsel? Are employees of a corporation automatically in privity with each other? Regardless of whether they're working together – or even know each other? What property rights, if any, of third party submitters come into play here? Is privity determined by the presence of a contractual arrangement to cooperate on submission of relevant documents? By the presence of contractual arrangements covering other matters? If privity is defined by “mutuality of interest”, what “mutual interests” would be construed to create privity for purposes of the fee exemption? Does not the general public automatically have a mutuality of interest in seeing that only valid patents are granted? Is awareness of another’s submission activity derived after submission enough to create privity? Awareness of submission activity derived before submission? Is collaboration in the absence of an employment or contractual arrangement enough to create privity? It is impractical, if not impossible, for a large enterprise such as a corporation or university to track and determine whether privity applies. As indicated by the number of questions here raised, reliance on the concept of “privity” for the administrative purpose of fee determination may create more problems than it solves.

In prior comments³, IBM has strongly urged that the implementation of the 122(e) remain open to collaboration, even in the event that the Office finds itself unable to provide a facility for collaboration in the first instance. The Office’s comments are neutral on the question of collaboration, but this fee structure appears to have the effect of positively discouraging collaboration among third party submitters. Likewise, the Office has expressed its desire to avoid receiving cumulative documents. Has the Office considered that parties which may in its eyes be “in privity” would be better positioned to avoid submitting cumulative documents than parties avoiding contact with each other so as not to inadvertently create privity – or some future charge of privity? Has the Office considered that attempting to avoid privity may chill collaboration in the first place? That would be counterproductive to the objective of finding relevant prior art.

The Office’s experience with the Peer-to-Patent Pilots is instructional here. In the early stages in the pilot, in response to fears that large numbers of prior art would be “dumped” on the Office, a limit of 10 references was set to avoid that occurrence. Very rarely was that limit reached. In a later-stage pilot, based on the

³ Manny Schechter, Marian Underweiser “IBM Corporation Comments regarding implementation of the Leahy-Smith America Invents Act in the area of ‘Patents:’ Preissuance submissions”, (November, 2011)

experience of the initial pilot that a lower limit could easily be tolerated, the total limit was decreased to six (6). The published average number of references submitted per application has varied in the three to four (3-4) range.⁴ Clearly there were not throngs of submitters waiting in the wings to deluge the Office with prior art, when there was no fee required, where applications eligible for submissions were more easily identified and submissions could be made in absolute anonymity. In light of this history, it would seem there is more than ample evidence that inclusion of a privity test in the fee exemption is not required to avoid abuse.

The following alternative fee structure is proposed which is intended to balance the needs of the PTO to collect sufficient fees to support its third party submission work with the need for greater certainty and convenience among third party submitters:

- No fee required for the first two references on an application by any individual submitter (e.g. without taking privity into account at all) for up to a cumulative total of six references from multiple submitters;
- \$180 fee required for first preissuance submission on an application by a third party containing more than two, but ten or fewer total documents;
- \$180 fee required for any submission by a third party (of up to 10 docs) once a cumulative total of six references have been submitted by third parties against an application.

Fair Use

The Office recently released a statement⁵ indicating its position that submission of unlicensed copies of copyrighted materials to the Office for the purpose of complying with Rule 56 cannot create copyright liability because that action is fair use under 17 U.S.C. 107. Preissuance submissions, though not made by the applicant, or even necessarily by a practitioner, serve the same public interest that Rule 56 serves, which is to bring to light information that may be material to patentability during examination. It is requested that the Office provide its position as to whether third party submissions under 122(e) constitute fair use.

⁴ N. Allen, A. Casillas, J. Deveau-Rosen, J. Kreps, T. Lemmo, J. Merante, M. Murphy, K. Osowski, C. Wong, M. Webbink, "Peer-to-Patent Second Anniversary Report", pp 12,22 (June,2009).

⁵ Bernard Knight, "USPTO Position on Fair Use of Copies of NPL Made in Patent Examination", http://www.uspto.gov/about/offices/ogc/USPTOPositiononFairUse_of_CopiesofNPLMadeinPatentExamination.pdf

Conclusion

IBM thanks the Office for providing the public an opportunity to submit comments regarding changes to implement the preissuance submissions by third parties provision of the Leahy-Smith American Invents Act.

Respectfully submitted,

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