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VIA EMAIL:
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Mail Stop Comments – Patents
Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

ATTN: Hiram H. Bernstein
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Associate Commissioner for Patent Examination Policy

RE: REQUEST FOR COMMENTS ON THE REVISION OF THE MATERIALITY
TO PATENTABILITY STANDARD FOR THE DUTY TO DISCLOSE
INFORMATION IN PATENT APPLICATIONS

Dear Mr. Bernstein:

The Patent Prosecution and IP Law Revision Committees of the Minnesota Intellectual Property Law Association (“MIPLA”) are grateful for the opportunity to submit comments in response to the Request for Comments on the Revision of the Materiality to Patentability Standard for the Duty to Disclose Information in Patent Applications, 76 Fed. Reg. 43632 (July 21, 2011) (“the Notice”).

The comments submitted here with reflect the views of the chairs of the MIPLA Patent Prosecution and IP Law Revision Committees (“the Committees”) and do not necessarily reflect the view or opinions of MIPLA or any of the individual members or firms of the committees or MIPLA, or any of their clients.

General Comments

The members of our Committees include patent attorneys that are prosecuting a number of patent applications on behalf of clients in a variety of different art group units. Our collective

experience is similar to the sense reflected in the Request for Comments on Rules, namely that ambiguities in the current 37 C.F.R. 1.56 (hereinafter “Rule 56”) regarding the duty to disclose in view of case law has led to an overwhelming volume of marginally relevant information submitted to the Patent Office, creating significant burden and expense to both applicants and examiners, while failing to curb allegations of inequitable conduct in patent litigation. Our Committees applaud any effort by the Office to clarify and streamline what materials are required for submission in view of the recent *Therasense* decision.

Our Committees appreciate the efforts of the Patent Office to harmonize the “but-for-plus” materiality standard for the duty to disclose as defined in *Therasense* with proposed Rule 56 set out in the Notice. The comments below are to provide further suggestions for clarifying proposed Rule 56 in order to “reduce the frequency with which applicants and practitioners are being charged with inequitable conduct, [while] consequently reducing the incentive to submit information disclosure statements containing marginally relevant information and enabling applicants to be more forthcoming and helpful to the Office...[and] prevent[ing] fraud on the Office and other egregious forms of misconduct...” commensurate with the reasoning behind the proposed amendment to Rule 56 as set forth in the Notice on page 43631.

1. 37 CFR 1.56(b)(1): Clarify when in prosecution the “but-for plus” materiality standard is applied to the claims

The proposed rule states at 1.56(b)(1) that information is material to patentability under *Therasense* if the “Office would not allow *a claim* if it were aware of the information...” (emphasis added). However, there is no guidance in the proposed rule on whether the “claim” against which the standard is measured is the finally allowed claim, or is meant to cover any claim pending at any time during the prosecution, including the claims as originally filed, omnibus claims, claims that are later subject to restriction, and claims that are withdrawn or later amended. The Notice explains on page 43633 that the “Office notes that, under the ‘but-for-plus’ standard of *Therasense*, information is not material if the pending claim is allowable, applying the preponderance of the evidence standard and giving the claim its broadest reasonable construction...” which appears to signify that the standard is applied only to finally allowed claims. However, clarification in the language of the rule itself would be helpful to practitioners, as would guidelines expressly noting that the rule does not apply to claims that are cancelled or withdrawn.

2. 37 CFR 1.56(b)(2): Define “affirmative egregious misconduct” consistent with *Therasense*

The proposed rule adopts the “affirmative egregious misconduct” language from *Therasense*. The Notice discusses that as “stated in *Therasense*, neither mere nondisclosure of

information to the Office nor failure to mention information in an affidavit, declaration, or other statement to the Office constitutes affirmative egregious misconduct. *Therasense*, 2011 WL 2028255, at *12.” However, the Notice does not appear to adopt the explanation as to what “affirmative egregious misconduct” means per *Therasense*.

Specifically, the court in *Therasense* equates “affirmative egregious misconduct” with “deliberately planned and carefully executed scheme[s]” to defraud the PTO and the courts” and says “the misconduct is material” itself, such as the patentees’ conduct in the three unclean hands cases that the Supreme Court decided from which the inequitable conduct doctrine evolved. *Id.* The court further notes that affirmative egregious misconduct includes “perjury, the manufacture of false evidence, and the suppression of evidence.” *Id.* at *6.

Therefore, we suggest adopting the definition of “affirmative egregious misconduct” as set forth in the recent *Therasense* decision, and the previous three unclean hands Supreme Court cases discussed in *Therasense* (*Keystone Driller Co. v. General Excavator Co.*, 290 U.S. 240 (1933); *Hazel-Atlas Glass Co. v. Hartford-Empire Co.*, 322 U.S. 238 (1944); overruled on other grounds by *Standard Oil Co. v. United States*, 429 U.S. 17 (1976); and *Precision Instrument Manufacturing Co. v. Automotive Maintenance Machinery Co.*, 324 U.S. 806 (1945)). Alternatively, although along the same lines, we suggest adding language to Rule 56 that fraud in dealing with the Patent Office is not tolerated, either in the form of (a) actual fraud as to a representation or (b) willful blindness as to an omission.

3. Reconcile what forms of material information should be submitted

The Notice states on page 43633 that the “Office recognizes the tension inherent in a disclosure standard based on unpatentability, but appreciates and expects that patent applicants are inclined to be forthcoming and submit information beyond that required by proposed Rule 56, in an effort to assist examiners in performing their duties. The Office wishes to facilitate and encourage such efforts by applicants.” The comments below are suggestions for the facilitation of submitting such information that, although might not be material per the proposed “but-for-plus” standard, may be helpful in assisting the examiners:

A. Adopt a definition of “material references” for types of materials to be submitted

Most applicants and practitioners today submit voluminous file wrappers of a number of currently pending “related” cases. This practice results in voluminous submissions, including file wrappers and prior art references, as well as new submissions every time a new event occurs in each of the identified related cases. In the most severe cases, when an application has been allowed, and a new event occurs in a related case, oftentimes a Request for Continued Examination is required in order to have the new event and potentially new prior art considered

by the Examiner, even if it is marginally relevant. This not only burdensome to both the Examiner in the applicant, it is also expensive and can cause great delays in prosecution and issuance of cases.

Therefore, to streamline the volume of marginally relevant information submitted to the Patent Office, we suggest adopting a definition of “material references” for what should be submitted that is limited to only two categories of materials, namely, either (a) actual evidence of prior art, or (b) statements of/by the inventor/patent owner. These categories would be based generally on the two categories identified in Section 301 of the America Invents Act, with the basis for the latter subcategory including materials that may not be “prior art,” but that are still required to be submitted being founded on a theory analogous to the hearsay exception for statements against interest. This definition would eliminate the need for practitioners and applications to continually consider statements made by examiners or other third parties long after the priority date of a given application that are not prior art. This definition would continue to highlight that practitioners and applicants do need to continually consider and potentially submit statements made by or for the inventor/patent owner.

B. Define “related cases” and for any cases voluntarily indicated by applicant as “related cases” only require identification of such related cases

There is currently no clear guidance by either the rules or the case law as to what constitutes a “related case.” Most applicants and practitioners today submit voluminous file wrappers of a wide number of currently pending cases that may be conservatively classified as a “related case.”

In order to further streamline the volume of marginally relevant information submitted to the Patent Office, we suggest adopting a definition of “related cases” that is limited to: (a) family cases, i.e. those cases for which there is some chain of priority claim, (b) similar claims cases, i.e., those cases under a common obligation of assignment for which the claims are not patentably distinct, and (c) team exception cases, i.e., those cases for which the team exception of Section 103(c) (Section 102(b)(2)(c) of the America Invents Act) will be used.

Unlike the 2007 Rules which attempted to impose mandatory obligations on applicants with respect to “related cases,” we would suggest creating incentives for applicants to voluntarily comply with the identification of “related cases” by offering advantages in terms of significantly reduced obligations on applicants who make such identification.

One suggestion for an efficient way for both examiners and applicants to submit such information is to create an incentive for early identification of “related cases” prior to a First Action on the Merits (FAOM) that would, as a benefit, remove any further

requirement/obligation of an applicant to cite anything generated during the prosecution of an identified related case, either US or OUS. This can be accomplished simply by listing related cases on a newly created section of Form 1449 for “related applications” identified by serial number or publication number.

C. Reconcile MPEP § 2001.06(b)

Currently, MPEP § 2001.06(b), entitled “Information Relating to or From Copending United States Patent Applications” can be considered contradictory. The section starts with requiring that “the individuals covered by 37 CFR 1.56 have a duty to bring to the attention of the examiner...information within their knowledge as to other copending United States applications which are ‘material to patentability’ of the application in question.” Further, this section requires that “the individuals covered by 37 CFR 1.56 cannot assume that the examiner of a particular application is necessarily aware of other applications which are ‘material to patentability’ of the application in question, but must instead bring such other applications to the attention of the examiner...For example, if a particular inventor has different applications pending in which similar subject matter but patentably indistinct claims are present that fact must be disclosed to the examiner of each of the involved applications. Similarly, the prior art references from one application must be made of record in another subsequent application if such prior art references are ‘material to patentability’ of the subsequent application.”

The section then exempts children cases in a family so long as there is acknowledgment by the Examiner: “If the application under examination is identified as a continuation, divisional, or continuation-in-part of an earlier application, the examiner will consider the prior art cited in the earlier application...Accordingly, no separate citation of the same prior art need be made in the later application.” However, this “exemption” does not appear to apply in the reverse, nor across families, again resulting in voluminous submissions in each of the “related cases.”

Therefore, in accordance with comment 3B above, we suggest allowing the applicant to rely on the Examiner being aware of cases within a patent family, or at most, allow the applicant to simply identify related cases during prosecution per comment 3B above.

4. Offer option to stay Office of Enrollment and Discipline (OED) proceedings re: inequitable conduct until a final resolution of a court action involving findings of inequitable conduct is reached

Once a practitioner is found to have committed inequitable conduct in a court action, an OED investigation is undertaken. However, this is started after the decision of a lower court. In most cases, such a finding is appealed to the higher courts, and oftentimes is overturned.

This OED investigation proceeds separately from the court action from which it stems. Simply having the option to stay the OED proceeding until the court action is finally resolved can save the OED, as well as the practitioner, time and money for conducting the extensive investigation, as well as the practitioner in defending the OED action, when such initial finding may be readily overturned in the higher courts anyway.

Given the changes to the time limitations for OED investigations that are enacted by the America Invents Act (Section 3(k)(1) of the AIA amending 35 USC Section 32 by setting a 10 year statute of limitations or 1 year after the notification of the Office of an allegation), such an option to delay an OED investigation once it is been initiated by the Office in response to a notification until such time as any co-pending litigation is resolved seems consistent with the intent of the America Invents Act.

5. Clarify whether proposed Rule 56 will be applied proactively or retroactively

Currently as written, neither the language of proposed Rule 56 nor the Notice mentions whether it will be applied only proactively or whether the proposed Rule 56 will be applied retroactively for actions in any currently pending application. Clarification is respectfully requested.

6. Infrastructure

The following infrastructure suggestions are to aid the examiners in ensuring they have the most material information in front of them.

A. Implement prior art crawlers

Work to build and implement autonomous “prior art” crawlers that can automatically crawl the Internet as of the filing date of an application to compile a database of “publicly available” references which would then be stored and carried along with the electronic files for a patent application. This kind of proactive “harvesting” of the web will be needed in order to provide a true “snapshot” of the prior art that was available as of the filing date of an application. It can also serve as the foundation for building the baseline submission of material references that establish a rebuttable prior art silo which examiners can effectively utilize as part of their prior art search strategies.

B. Implement searchable electronic files maintained in the Patent Office

Continue to implement the current Office initiatives to transition all application files to electronically searchable files. Given the current best practice of searching for relevant information based on key word electronic searches, the existing practice of requiring applicants

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to submit image only electronic versions of materials in a Form 1449 submission is tantamount to “The Emperor’s New Clothes” in terms of actual usefulness of the information which applicants are required to submit. Moving as rapidly as possible to implement electronically searchable files will greatly increase the usefulness of information supplied by applicants that is now often ignored by examiners because there is no way to practically search that information even though it technically has been provided to the Office.

7. Duty of candor regulations for original prosecution and for post-issuance proceedings

The Notice proposes to harmonize the standard for materiality under §§ 1.56 and 1.555 (relating to reexamination proceedings). Section 1.933 relating the duty of disclosure with regard to *inter partes* reexamination proceedings incorporates § 1.555, and is therefore in harmony with the standard of materiality under §§ 1.56 and 1.555.

However, in view of the many changes that will be happening for post-issuance proceedings in view of the passage of the America Invents Act, we suggest maintaining separate duty of candor regulations for original prosecution and for post issuance proceedings such as *ex parte* or *inter partes* reexamination and the new post grant review, *inter partes* review and transitional business covered method patent reviews. There are significant differences in these kinds of proceedings that may necessitate separate consideration and regulations with respect to the submission of information in these proceedings, such as the impact of the concurrent notice requirements and the treatment of statements made by patent owners and alleged infringers in any such concurrent proceedings.

The Chairs of the MIPLA Committee look forward to the opportunity to work with the Office in the future on specific proposals for harmonizing and simplifying the duty of disclosure of materials to the Office.

Sincerely,



Brad Pedersen

BDP/ma

cc: Timothy E. Bianchi, Esq. (via E-mail)
Theodore M. Magee, Esq. (via E-mail)
James H. Patterson, Esq. (via E-mail)