

## **Guidelines Setting Forth a Modified Policy Concerning the Evidence of Common Ownership, or an Obligation of Assignment to the Same Person, as Required by 35 U.S.C. 103(c)**

### **I. *Summary***

An earlier Official Gazette notice set forth the position of the United States Patent and Trademark Office (USPTO) regarding interpretation and implementation of the changes made to 35 U.S.C. 103(c) by the American Inventors Protection Act of 1999 (hereinafter "AIPA").<sup>1</sup> See "Guidelines Concerning the Implementation of Changes to 35 USC 102(g) and 103(c) and the Interpretation of the Term 'Original Application' in the American Inventors Protection Act of 1999," 1233 O.G. 54 (April 11, 2000) (hereinafter "the Guidelines"). The Guidelines suggested several different forms of evidence, based on 37 CFR 1.104(a)(5), to show common ownership or an obligation of assignment to the same person, of the application and the reference at the time the invention was made. In a rule change to implement the eighteen-month publication provisions of the AIPA, 37 CFR 1.104(a)(5) was removed. See "Changes to Implement Eighteen-Month Publication of Patent Applications; Final Rule," 65 FR 57023, 57033, 57056 (September 20, 2000).

This notice sets forth a modified policy concerning evidence of common ownership, or an obligation of assignment to the same person, at the time the invention was made. Henceforth, applications and references (whether patents, patent applications, patent application publications, etc.) will be considered by the examiner to be owned by, or subject to an obligation of assignment to, the same person, at the time the invention was made, if the applicant(s) or the attorney or agent of record makes a statement to the effect that the application and the reference were, at the time the invention was made, owned by, or subject to an obligation of assignment to, the same person.

This new (modified) policy will apply when an applicant seeks to exclude a reference available under 35 U.S.C. 102(e), (f) and/or (g) pursuant to 35 U.S.C. 103(c). This policy applies for applications filed on or after November 29, 1999 where a reference available under 35 U.S.C. 102(e) is sought to be excluded, and any application where a reference available under only 35 U.S.C. 102 (f) and/or (g) is sought to be excluded.

A reference excluded under amended 35 U.S.C.103(c) may continue to serve as the basis of a rejection under 35 USC 102(e), and serve as part of the basis of a double patenting rejection.

### **II. *Background***

The AIPA amended 35 U.S.C. 103(c) to add that subject matter that only qualifies as prior art under 35 U.S.C. 102(e) and that was commonly owned, or subject to an obligation of assignment to the same person, at the time the invention was made cannot

be applied in a rejection under 35 U.S.C. 103(a). Section 4807 of the AIPA amended 35 U.S.C. 103(c) to read as follows:

“(c) Subject matter developed by another person, which qualifies as prior art only under one or more of subsections (e), (f), and (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the invention was made, owned by the same person or subject to an obligation of assignment to the same person.”

This change to § 103(c) applies to any patent application filed on or after the date of enactment, November 29, 1999. See AIPA § 4807(b). This amendment to § 103(c) does not apply to any application filed before November 29, 1999, any request for examination under 37 CFR 1.129 of such an application, nor any request for continued examination under 37 CFR 1.114 of such an application.

For the implementation of the change to 35 U.S.C. 103(c), the Guidelines stated that:

Applications and patents will be considered by the examiner to be owned by, or subject to an obligation of assignment to, the same person, at the time the invention was made, if:

- (a) the applicant provides evidence that the application and patent files refer to assignments recorded in the PTO in accordance with 37 CFR 3.11 which convey the entire rights in the applications to the same person(s) or organization(s) at the time of the invention;
- (b) copies of unrecorded assignments which convey the entire rights in the applications to the same person(s) or organization(s) at the time of the invention are filed in each of the applications and patents;
- (c) an affidavit or declaration by the common owner is filed which states that there was common ownership at the time the invention was made and explains why the affiant believes there was common ownership; or
- (d) other evidence is submitted which establishes common ownership of the applications and patents at the time the invention was made, e.g., a court decision determining the owner.

The listing of the above-mentioned types of evidence was based on 37 CFR 1.104(a)(5), which has now been removed. See “Changes to Implement Eighteen-Month Publication of Patent Applications; Final Rule,” 65 FR 57023, 57033, 57056 (September 20, 2000).

### **III. *Modified Policy on Evidence to Establish Common Ownership or an Obligation for Assignment to the Same Person***

The policy on what evidence is needed to establish common ownership, or an obligation for assignment to the same person, set forth in the Guidelines (restated above) is hereby replaced by the following policy:

Applications and references (whether patents, patent applications, patent application publications, etc.) will be considered by the examiner to be owned by, or subject to an obligation of assignment to the same person, at the time the invention was made, if the applicant(s) or an attorney or agent of record makes a statement to the effect that the application and the reference were, at the time the invention was made, owned by, or subject to an obligation of assignment to, the same person.

This policy is being changed in order to simplify the examination and processing of requests for the exclusion of prior art under 35 U.S.C. 103(c). The applicant(s) or the representative(s) of record have the best knowledge of the ownership of their application(s) and reference(s), and their statement of such is sufficient evidence because of their paramount obligation of candor and good faith to the USPTO.

The statement concerning common ownership should be clear and conspicuous (e.g. on a separate piece of paper or in a separately labeled section) in order to ensure that the examiner quickly notices the statement. Applicants may, but are not required to, submit further evidence, such as assignment records, affidavits or declarations by the common owner, or court decisions, *in addition to* the above-mentioned statement concerning common ownership.

For example, an attorney or agent of record receives an Office action for Application X in which all the claims are rejected under 35 U.S.C. 103(a) using Patent A in view of Patent B. In her response to the Office action, the attorney or agent of record for Application X states, in a clear and conspicuous manner, that:

“Application X and Patent A were, at the time the invention of Application X was made, owned by Company Z.”

This statement alone is sufficient evidence to disqualify Patent A from being used in a rejection under 35 U.S.C. 103(a) against the claims of Application X.

In rare instances, the examiner may have independent evidence that raises a material doubt as to the accuracy of applicant's representation of either (1) the common ownership of, or (2) the existence of an obligation to commonly assign, the application being examined and the applied US patent or US patent application publication reference. In such cases, the examiner may explain why the accuracy of the representation is doubted, and require objective evidence of common ownership of, or the existence of an obligation to assign, the application being examined and the applied reference as of the date of invention of the application being examined.

#### **IV. *The Interpretation of the Phrase “Same Person”***

The phrase “same person” includes persons, organization(s) or corporation(s). If an invention claimed in an application is owned by more than one entity and those entities

seek to exclude a reference's use under 35 U.S.C. 103, then the reference must be owned by, or subject to an obligation of assignment to, the same entities that owned the application, at the time the invention was made. For example, assume Company A owns twenty percent of patent Application X and Company B owns eighty percent of patent Application X at the time the invention of Application X was made. In addition, assume that Companies A and B seek to exclude Reference Z's use under 35 U.S.C. 103(a). Reference Z must have been co-owned, or been under an obligation of assignment to both companies, on the date the invention was made in order for the exclusion to be properly requested. A statement such as "Application X and Patent Z were, at the time the invention of Application X was made, jointly owned by Companies A and B" would be sufficient evidence of common ownership.

For applications owned by a joint venture of two or more entities, both the application and the reference must have been owned by, or subject to an obligation of assignment to, the joint venture at the time the invention was made. For example, if Company A and Company B formed a joint venture, Company C, both Application X and Reference Z must have been owned by, or subject to an obligation of assignment to, Company C at the time the invention was made in order for Reference Z to be properly excluded as prior art under 35 U.S.C. 103(c). If Company A by itself owned Reference Z at the time the invention of Application X was made, a request for the exclusion of Reference Z as prior art under 35 U.S.C. 103(c) would not be proper.

## **V. Implementation and Effective Date of the Modified Policy**

As stated above, this new (modified) policy will apply when an applicant seeks to exclude a reference available under 35 U.S.C. 102(e), (f) and/or (g) pursuant to 35 U.S.C. 103(c). This policy applies for applications filed on or after November 29, 1999 where a reference available under 35 U.S.C. 102(e) is sought to be excluded, and any application where a reference available under only 35 U.S.C. 102 (f) and/or (g) is sought to be excluded.

The policy changes made by this notice are effective on the date of publication of this notice, and shall be applied in any Office action mailed on or after that date. If a reply by applicant filed before that date has already been acted on by the Office, and applicant seeks reconsideration in view of this notice, applicant should reassert the evidence, *e.g.*, a statement signed by a registered practitioner or by the applicant, concerning entitlement to prior art exclusion in the previously submitted reply in a timely submitted reply. This may be done by calling attention to the contents of the previous reply or by incorporating the previously submitted evidence in the next reply.

If an Office action includes a non-final rejection to certain claims which is obviated by a reply based on a proper claim of entitlement to the new exclusion, then a subsequent Office action should not be made final if the action relies on newly applied prior art against the same claims.

If a final rejection of certain claims is obviated by a timely reply based on a proper claim of entitlement to the new exclusion, then the Office should acknowledge the reply by modifying the status of the claims. For example, if the only rejection in the final rejection is obviated by evidence demonstrating entitlement to exclude prior art under amended 35 USC 103(c) in the reply, the Office should indicate that the claims are allowable, or prosecution should be reopened should the claims be considered unpatentable in view of newly applied prior art. Applicant's evidence concerning the exclusion are entitled to being considered even after a final rejection has been made, since if the exclusion is established, the propriety of the rejection is obviated as a matter of law. Applicants should be aware, however, that the failure to submit evidence of entitlement to exclude prior art following the first Office action including the use of such prior art in a rejection under 35 U.S.C. 103(a) may be considered by the Office as conduct that is considered to be a failure to engage in reasonable efforts to conclude prosecution if such prior art is thereafter excluded under 35 USC 103(c). See 37 CFR 1.704(c) and See, Discussion of Comment 19, Changes To Implement Patent Term Adjustment Under Twenty-Year Patent Term; Final Rule, 65 F. R. 56365, 79 (September 18, 2000).

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<sup>1</sup> The American Inventors Protection Act of 1999 is a part of the conference report (H. Rep. 106-479) on H.R. 3194, Consolidated Appropriations Act, Fiscal Year 2000. The text of the American Inventors Protection Act of 1999 is contained in title IV of S. 1948, the Intellectual Property and Communications Omnibus Reform Act of 1999 (Public Law 106-113). The American Inventors Protection Act of 1999 was enacted on November 29, 1999.