

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re:

PTO Docket No.: PTO-C-2007-0018

For: **Comments on International Efforts
to Harmonize Substantive
Requirements of Patent Laws**

**72 Fed. Reg. 24566
(May 3, 2007)**

**Comments on International Efforts to Harmonize Substantive Requirements
of Patent Laws**

USPTO Office of International Relations
600 Dulany Street
Madison West Building, Tenth Floor
Alexandria, VA 22313
Attn.: Mr. Jon P. Santamauro

by email
plharmonization@uspto.gov

Dear Mr. Santamauro:

Intellectual Ventures, LLC appreciates the opportunity to comment on the Notice published on May 3, 2007 at 72 Fed. Reg. 24566, relating to International Efforts to Harmonize Substantive Requirements of Patent Law.

I. Background on Intellectual Ventures, LLC

A. Intellectual Ventures is an invention company that relies on a strong patent system to drive and protect its innovation.

Intellectual Ventures is in business to create and invest in innovation. Intellectual Ventures works with internal and external inventors – some of the brightest minds of today’s inventive society – to create new inventions.¹ We also build upon our inventions by licensing and acquiring intellectual property from industrial, government and academic partnerships. We rely upon a strong patent system to protect the innovation that our company fosters. For more information about the business model and work of Intellectual Ventures, please visit our website: <http://www.intven.com/about.aspx>.

¹ For a list of senior inventors at Intellectual Ventures, see <http://www.intven.com/inventors.aspx>.

B. High patent quality and strong protection are necessary to protect U.S. innovation.

The U.S. has historically created incentives for domestic investment in innovation by offering the highest-quality intellectual property protection in the world. High-quality patents are at the heart of this protection. If the U.S. patent system does not continue to offer high-quality and timely protection for innovation, the incentive for investing in research and development in the U.S. will disappear.

If no single country stands out with strong patent protection, then economic factors will force the outsourcing of research and development, as has happened with manufacturing. Investments in innovation will go to the lowest-cost provider and to regions where the best patent protection exists. With the loss of investments in research and development would come a corresponding loss in the value of U.S. corporations, high-paying jobs, and the high standards of living that Americans have come to enjoy.

Research and development is a high-risk venture. High-quality patent protection is required to reward investors for taking such risks. Furthermore, universities and small start-up or emerging technology companies rely on high-quality patents to protect their innovations in the marketplace. These market participants usually do not have the bargaining or market power that many global corporations have. Without high-quality patents, such entities are at risk of having their innovations misappropriated. The economic incentives to invest in the innovation created by these important small entities will be diminished if high-quality patent protection is not available to them.

Intellectual Ventures has and will continue to support and promote initiatives to improve patent quality. For example:

- Intellectual Ventures' CEO Nathan Myhrvold has testified before Congress on intellectual property matters, including on April 28, 2005 before the Subcommittee on the Courts, the Internet and Intellectual Property (under the House Judiciary Committee), and on May 23, 2006 before the Subcommittee on Intellectual Property (under the Senate Judiciary Committee) about patent reform and the need to improve patent quality.
- Intellectual Ventures is one of the sponsors of the *Peer-to-Patent: Community Patent Review* pilot project that began on June 17, 2007 (see <http://www.peertopatent.org/>). This project has been designed to allow the public to submit prior art that is relevant to pending claims, in order to make highly material prior art available to the U.S. Patent Office that Examiners would otherwise find it difficult or impossible to locate in a search.
- Intellectual Ventures has been very active in commenting on U.S. Patent Office rulemaking initiatives, preparing and filing amicus briefs with the United States Supreme Court in cases involving important patent issues, and in providing commentary on ongoing patent legislative efforts in the United States Congress.

- Intellectual Ventures supports full funding to USPTO from its fees to hire more patent examiners, and to provide them with better training and improved search tools and database access to the world's technical literature.

II. Comments on the Notice Regarding International Efforts to Harmonize Substantive Requirements of Patent Law

The Notice relating to International Efforts to Harmonize Substantive Requirements of Patent Law identifies four primary categories in patent law where harmonization efforts are being made:

- (a) definition of prior art;
- (b) grace period;
- (c) novelty; and
- (d) nonobviousness.

The Notice then identifies ten specific issues for public comment:

1. Priority of Invention
2. Prior Art Effective Date of Published U.S. Patent Applications
3. Scope of Prior Art Effect of Published Patent Applications
4. Grace Period
5. Geographical Limitations in the Definition of Prior Art
6. "Loss of Right" Provisions
7. "Experimental Use" Exception to Prior Art
8. Prior User Rights
9. Assignee Filing
10. Eighteen-Month Publication of Patent Application

Each of these is important to patent rights, affecting issues such as the establishment of patent rights, the scope of protection for innovation, and the ability of inventors and their assignees to maintain that protection.

The ten issues identified are complex, and for the most part not susceptible of simple comparison of the U.S. system with international systems, which are not in themselves uniform. Accordingly, harmonization in these areas involves difficult analysis and discussion among practitioners from different countries to try to achieve a balance that is both workable internationally and acceptable in the U.S., and that continues to protect, encourage and reward U.S. innovation – whether that innovation comes from individual inventors, start-ups, larger companies, universities or other organizations.

Because the Notice identifies issues but does not make any specific recommendations as to a position on any specific matter, it is not possible to comment in detail on these issues. Each of the issues has been considered in many different settings, including in U.S. legislative efforts and in WIPO and other international discussions, and many and varied proposals have been made to address the issues. As noted above, Intellectual Ventures is very active in various

efforts to increase patent quality and resolve outstanding challenges such as these and others in the U.S. patent system. We will continue these efforts, and look forward to a point where these issues are set forth with specific proposals, whether through further notices or in discussion fora.

We note one issue that involves perhaps simpler issues than most, namely that of filing patent applications and engaging in ongoing prosecution by the assignee, without the need for further involvement by the inventors, once the inventions and any patents or patent applications have been assigned by the inventors. In most jurisdictions other than the United States, assignees are free to prosecute their patent applications once inventors have properly made full assignment. In the United States, the application must originally be filed by the inventor(s), and in some cases the inventors' continued participation is required even long after the application has been filed. This does not comport with commercial realities, and penalizes U.S. companies by delaying and making it more difficult to achieve patent protection in the United States.

It is fair, once an inventor has properly assigned the invention rights, to allow full prosecution in all subsequent procedures to be carried out by the assignee without the need for future involvement by the inventor. Often there are difficulties locating or getting the attention or willing involvement of inventors at later dates (even when filing the initial patent application). Although 37 CFR Sections 1.42 ("When the inventor is dead"), 1.43 ("When the inventor is insane or legally incapacitated") and 1.47 ("Filing when an inventor refuses to sign or cannot be reached") provide procedural avenues for situations in which these difficulties arise, petitions under these sections can be time-consuming, and result in delays of prosecution and full protection of the inventions. Most of the challenges could be fully resolved by simply allowing a proper assignee to take all future necessary actions relating to the relevant patent prosecution, including any subsequent reissue or reexamination procedures.

Specifically, Intellectual Ventures believes it is expressing the desires of many U.S. companies in strongly supporting a change that would allow for direct filing of patent applications by the real party in interest, whether that party is the individual inventor, a group of inventors, or assignee of the application, and that would further allow any subsequent patent prosecution actions to be taken by that real party in interest. If the real party in interest is an assignee of all rights in a given patent or application, no involvement of any other entity or individual should be required.

Real-party-in-interest filing will greatly facilitate the filing of patent applications by companies and benefit protection of innovation in the United States, where inventors have assigned the title to the invention and one of the difficulties identified in 37 CFR Sections 1.42, 1.43 or 1.47 arises.

III. Conclusion

Intellectual Ventures looks forward to work by the U.S. Patent Office in conjunction with international organizations on these issues, and remains available to comment further as additional detail and specific proposals are developed.

Respectfully submitted,

Intellectual Ventures, LLC



Matthew Rainey, Esq.
Vice President/Patent Counsel

Date: June 22, 2007
1756 114th Avenue SE, Suite 110
Bellevue, Washington 98004