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AMERICAN BAR ASSOCIATION

September 11, 2006

Commissioner for Patents
U.S. Patent and Trademark Office
Attn: Hiram H. Bernstein
AB95.comments@uspto.gov

RE: Changes to Information Disclosure Statement
Requirements and Other Related Matters

Dear Commissioner Doll,

The American Bar Association Section of Intellectual Property Law represents over 17,000 members concerned with intellectual property issues. On behalf of this Section, we respond to your request for comments on Changes to Information Disclosure Statement Requirements and Other Related Matters, as published in the Federal Register of July 10, 2006. (71 Fed. Reg. 38808) The views expressed herein are those of the Section of Intellectual Property Law. They have not been submitted to the House of Delegates or Board of Governors of the ABA, and should not be construed as representing policy of the Association.

Comments on United States Patent and Trademark Office IDS Rules Proposal

The Section recognizes the serious problems that the United States Patent and Trademark Office is having with the examination of patent applications. Patent application filings have increased in volume and the character and nature of the filed applications has increased in length and claim number. At the same time, the United States Patent and Trademark Office is suffering from a down turn in resources. The disparity between workload and resources is at historic levels.

However, the Section does not favor the proposed changes in the rules governing IDS practice before the United States Patent and Trademark Office as a solution to this problem. Rather the Section repeats its belief, previously expressed in the Section's White Paper on Patent Law Reform, that change in the law of inequitable conduct will encourage Applicant's and their Counsel to be more forthcoming with prior art and explanation of the prior art. For the reasons discussed below, the Section respectively opposes the regulatory changes proposed by 71 Fed. Reg. 38808 (10 July, 2006) under the present law of inequitable conduct. The Section would be pleased to re-consider these proposed changes, if changes to the law of inequitable conduct as proposed in the Section's White Paper were enacted.

This rules proposal by the United States Patent and Trademark Office would impose substantial new burdens on patent Applicants who seek to bring prior art to the attention of the United States Patent Office to be considered in the prosecution of their patent applications. These burdens may make it more difficult to comply with the “duty of disclosure” as defined in 37 C.F.R. §1.56 and possibly to avoid inequitable conduct as defined by the U.S. Courts.

The proposed resolution is examined in view of (I.) the added burden, (II.) the substance of the added burden and (III.) the consequence of this added burden.

I. The Added Burden and Events Triggering

The additional burden can be triggered by the substance of an IDS or by the timing of its submission. An additional burden is imposed on Applicants if an IDS cites a.) a foreign language document, b.) a document of 25 pages or more, or c.) more than 20 documents.

- Foreign Language Documents: Signature of the IDS memorializes that the Applicant is vouching for the translation of a Foreign Language Document as proffered. Having the Applicant’s representative make statements about the content of the translation may have a deleterious effect on the duty of disclosure by making Applicants more reluctant to submit foreign art.
- Documents Over 25 Pages In Length: If in the ordinary course of examination the Examiner routinely reviews documents of such length, there is no apparent reason to impose an additional burden on the Applicant merely because documents over 25 pages are cited.
- Citation of Over 20 Documents: It is suggested that there may be few areas in which a proper search would not encompass more than twenty documents. If the concern is related to the inability to conduct an electronic search of the cited documents, it seems the appropriate remedy would be to provide the option of the submitting searchable documents or complying with the extra burden of the rules proposal.
- Submission of an Updated IDS: During examination, an application is routinely searched by an Examiner. While it may be true that a claim amendment gives an Examiner cause to search for teachings in which the Applicant was not initially interested, the Examiner will also likely conduct further searches as necessary. In fact, the burden of doing an additional search for newly presented limitations is one of the classical justifications for final rejection practice. Examiner’s routinely refuse Applicants the freedom to make further amendments after new issues are raised requiring further search. If this proposal is adopted, then this practice of Examiners should be modified.
- Prior Art cited After a First Action: When prior art is brought to the Applicant’s attention by the USPTO in the prosecution of a related application or other proceeding before the USPTO, the Applicant should be allowed reasonable opportunity to file the prior art with the United States Patent and Trademark Office. In this regard, it is illogical to allow greater leeway if the prior art is cited

in foreign prosecution rather than prior art cited by an Examiner in the United States Patent and Trademark Office.

- Prior Art Cited With a Request for Continued Examination: In such a case, the Applicant has paid for renewed examination. An Applicant, who in the course of prosecution recognizes the need for additional claim limitations in view of positions taken and/or art cited by the Examiner, should be allowed to cite that prior art in conjunction with the renewed examination provided by an RCE without comment. The Applicant would typically file an RCE in order to present these new limitations, and at the same time might cite prior art which was merely cumulative of other prior art already of record until the new claim limitations were presented. The alternative would be to file a continuation under 37 C.F.R. §60. This practice is less efficient due to the time delay before the renewed examination, the potential for a different Examiner and the Examiner's potential loss of familiarity with the matter.

II. The Substance of the Added Burden

The additional requirements imposed on Applicants by the proposed rules will expose Applicants to a possible greater risk of having to defend charges of inequitable conduct and will impose an often unnecessary new burden on knowledgeable Applicants. Applicants will be required to identify the most pertinent portion of a cited reference, apply the pending claims to the reference and eliminate any references which are "cumulative" without citation. As discussed briefly above, the Section believes that the opportunity for greater dialogue and openness between Applicants and the USPTO during the examination process is a net positive to the system. In view of the current state of the law of inequitable conduct, however, the threat of such a finding outweighs the positives to the process from such obligations as encompassed by the current proposal. The Section would be eager to discuss such modifications to the examination process after changes to the law of inequitable conduct are implemented. Until that time, unfortunately, the Section feels that the current requirements will have a substantial unjustified negative impact on patent Applicants.

- An error in analyzing a reference can carry very significant risks. The most serious of these is the failure to cite a reference on the grounds that it is cumulative. The Court decisions on inequitable conduct are clear on two points:
 - It should be the United States Patent and Trademark Office, not the Applicant, who should decide the relevance of a reference.
 - It is the Courts, particularly the Federal Circuit and not the United States Patent and Trademark Office, who set the standards with regard to inequitable conduct. Indeed, the rule proposal recognizes this.
- It is less clear what liability arises from an error in characterizing a reference or relating it to the pending claims but this exercise is definitely not free from risk. It is true that in order to get expedited prosecution some Applicants have voluntarily assumed this burden as part of a Petition to Make Special but they have done so in selected cases in which the extra scrutiny was justified.

- Naïve Applicants will face little burden because they will have no references to cite. Thus, the burden will fall disproportionately on the knowledgeable Applicant. Moreover, this may serve as a further disincentive to search in the first place, certainly not the outcome the Office would desire.
- The proposed protest rules do not provide a reasonable allocation of the burden of dealing with prior art cited by a third party.
 - In this case, the Applicant has no control of what is cited or how it is cited but he still has the burden of examining it for materiality.

III. Consequences of the Additional Burden

The routine provision of an IDS which complies with the added burden of the rules proposal will have an unintended, deleterious effect on the U.S Patent System by causing the Examining Corps to place undue reliance on such detailed analyses and by disincenting searching and disclosure of art.

- Foundational to the U.S. Patent System is the statutory presumption of validity afforded granted patents. It is the assumption that a granted patent is likely to afford market exclusivity which makes it a vehicle to obtaining venture capital. This is true whether it is venture capital from a venture capitalist or the allocation of capital within a large well capitalized business entity which must, if it is to prosper, carefully allocate its investments.
- If more granted patents are successfully challenged because the best prior art was not considered during examination, United States patents will begin to lose credibility. If investors have significant doubts about the thoroughness of examination they will become much more hesitant to invest in patented inventions.
- On the other hand, improvidently granted patents will in the short term impose an unjustifiable burden on the progress and advancement of the arts and sciences. Many small business entities, (which are disproportionately the source of innovation in the market place), can ill afford the burden of challenging granted patents. It is well known that the mere existence of a patent can have a chilling effect on entry into a field of technology. This cost is well justified if the patent represents a true contribution to the art. However, if the cost is unreasonable, the patent simply represents the United States Patent and Trademark Offices' failure to consider the prior art which was readily available to it.
- The Applicant may simply chance a prosecution that does not include a consideration of the most pertinent prior art. This may result in a significantly higher risk of patent invalidity or unenforceability. Willingness to take such risks certainly does not justify burdening the public with improvidently granted patents. The Applicant may chance such a prosecution if resources are limited. In this regard there are certainly Applicants who can afford little more than the preparation and filing of applications. If faced with close art, the Applicant may

abandon rather than incur the cost of responding to a difficult office action. But the Examiner may be compelled to overlook close art and grant a patent because such an Applicant fails to cite prior art in a proper way.

- The Rules Proposal invites Examiners to focus on the duty of the Applicant. It also invites Examiners to simply accept the Applicant's analysis of the prior art and its impact on the claims.
 - It would be preferred if the rules simply conveyed the concept that, if the Applicant does not carry a fair burden, Applicant **can not be guaranteed** consideration of any cited art. A subtle change from the current language "to have an information disclosure statement considered" to "to ensure consideration of an information disclosure statement" could be invaluable in changing the message and acknowledging the duty the United States Patent and Trademark Office owes the general public.
 - There may well be practical circumstances under which the United States Patent and Trademark Office is unable to properly consider all cited prior art. The concept of not considering prior art does not need to be expanded and enshrined in a rule. For instance if voluminous art is cited late in prosecution it **may** not be considered but that is no reason to broaden those circumstances.

Sincerely yours,



Susan Barbieri Montgomery
Chair