



**RESPONSE TO THE RECOMMENDATIONS OF  
THE NATIONAL RESEARCH COUNCIL OF  
THE NATIONAL ACADEMIES ON  
“A 21ST CENTURY PATENT SYSTEM”**

**APPENDIX**

**THE VIEWS EXPRESSED HEREIN ARE ON BEHALF OF THE AMERICAN BAR ASSOCIATION SECTION OF INTELLECTUAL PROPERTY LAW. THEY HAVE NOT BEEN APPROVED BY THE AMERICAN BAR ASSOCIATION’S HOUSE OF DELEGATES OR THE BOARD OF GOVERNORS AND SHOULD NOT BE CONSTRUED AS REPRESENTING THE POLICY OF THE AMERICAN BAR ASSOCIATION.**

The following resolutions passed by the Section support the Section Responses provided in the accompanying document, “Response to the Recommendations of the National Research Council of the National Academies on ‘A 21<sup>st</sup> Century Patent System’.”

## **RECOMMENDATION 1:**

**“Preserve an open-ended, unitary, flexible patent system.”**

***“The system should remain open to new technologies with features that allow flexibility in protecting new technologies.”***

### **Section Response:**

The Section agrees that the patent system should remain open to new technologies, giving full effect to Congress’s intent that anything under the sun that is made by man is patentable.

### **Section Resolutions:**

(Passed 4/04; R108-7)

Section of Intellectual Property Law opposes in principle the proposition that the courts and the Patent and Trademark Office should “consider possible harm to competition - along with other possible benefits and costs - before extending the scope of patentable subject matter”; and specifically, the Section proposes that the courts and the Patent and Trademark Office give full effect to Congress’s intent that “anything under the sun that is made by man” is patentable, as well as Congress’s intent that the court’s and the Patent and Trademark Office scrupulously ensure that patent applicants fully comply with their bargain with the public - in exchange for complete and enabling disclosure of a useful, novel, and unobvious invention, patentees will receive meaningful, but limited monopolies.

(Passed 1/96;AR556-R1001-4)

Section opposes in principle any legislative, judicial or administrative action that would have the effect of excluding claims to inventions directed to human genome fragments from the constitutional and statutory protection afforded to new, useful, and unobvious inventions by the patent law; and Specifically, the Section opposes any such action that would have the effect of declaring such inventions to be *per se* unpatentable.

(Passed 1/96;AR556-R1001-3)

Section opposes in principle any legislative, judicial, or administrative action that would have the effect of excluding claims to inventions directed to a complete genome of a non-human organism or to a fragment thereof from the constitutional and statutory protection afforded to new, useful, and unobvious inventions by the patent law; and Specifically, the Section opposes any such action that would have the effect of declaring such inventions to be *per se* unpatentable.

(Passed 1994 AR440-R1002-1)

Section favors, in principle, the patentability of (1) plants and seeds and (2) essentially biological processes for the production of the same plants or seeds under 35 U.S.C. § 101 notwithstanding the protection of plants provided under the Plant Variety Protection Act (7 U.S.C. § 2321 et seq.).

***“Among the features that should be exploited is the United States Patent and Trademark Office’s (USPTO) development of examination guidelines for new or newly patented technologies.”***

**Section Response:**

The Section agrees that the use of examination guidelines by the USPTO should be continued and expanded, including guidelines for areas of new technology. Such guidelines, however, should continue to follow existing law for patentability and should not condone discriminatory treatment of patent applications based on the field of invention.

**Section Resolutions:**

(Passed 1994 AR449-R-TF-9)

Section favors, in principle, an increase in the uniformity and consistency with which patent applications are examined and with which the standard of obviousness in 35 U.S.C. § 103 is applied by different patent examiners, and Specifically, the Section reconfirms its support for the program to expand the automated search capabilities of the Patent and Trademark Office, and further supports expanding and updating, consistent with case law precedent, the existing guidelines on the application of § 103 in the Manual of Patent Examining Procedure, increasing the training of patent examiners on the application of § 103 in accordance with the case law, and reviewing on a continuing basis and adjusting, as necessary, the administrative procedures and goals under which patent examiners conduct the examination of patent applications.

(Passed 2001 AR926-R757-1)

Section opposes, in principle, any legislative, judicial, or administrative action that would result in discriminatory treatment of patent applications based on the field of invention, including different requirements for patentability, different criteria for publication, different opportunities for third parties to challenge patentability, or different requirements to disclose the extent to which the applicant searched for prior art for business method-related inventions.

(Passed 1994 AR448-R-TF-6)

Section opposes, in principle, any action by the Patent and Trademark Office to set or apply standards of obviousness or nonobviousness, by rule making or otherwise, which are inconsistent with the case law.

(Passed 1994 AR448-R-TF-7)

Section favors, in principle, that the obviousness standard, as presently set forth in 35 U.S.C. § 103 and as may be interpreted by the courts, continue to be applied to all areas of technology, and, furthermore, opposes the establishment of different standards of obviousness in different areas of technology.

***“The Court of Appeals for the Federal Circuit (“Federal Circuit”) also should ensure its exposure to a variety of expert opinions by encouraging submission of amicus briefs and by exchanges with other courts. In addition to qualified intellectual property professionals, appointments to the Federal Circuit should include people familiar with innovation from a variety of perspectives—management, finance, and economics, as well as nonpatent areas of law affecting innovation.”***

**Section Response:**

The Section agrees that the Federal Circuit should encourage submission of amicus briefs and encourage exchanges with other courts. The Section also agrees that the backgrounds and experience of men and women appointed to the court should reflect the diverse subject matter of the court, but the Section believes that court should include three or four active judges with patent law background and should include active judges with jury trial experience.

**Section Resolutions:**

(Passed 1/05; R604-1)

RESOLVED, that the Section of Intellectual Property Law favors in principle that the Court of Appeals for the Federal Circuit continue its practice of encouraging amicus participation in important cases before the court, and

Specifically, the Section favors that in encouraging amicus participation, the court, to the extent appropriate to the particular case, should draw upon insights from other judicial decisions, independent scholarly analysis, and available and relevant empirical evidence, but need not encourage economic analysis in areas of innovation-related law.

(Passed 1/05; R604-2)

RESOLVED, that the Section of Intellectual Property Law favors in principle the appointment of judges to the Court of Appeals for the Federal Circuit with particular care and appropriate to the court’s diverse subject matter jurisdiction, and

Specifically, the Section favors the appointment of judges to the court of (1) men and women with diverse experience and backgrounds appropriate to the court’s diverse subject matter jurisdiction, while maintaining a complement of three or four active judges with extensive pre-court patent law backgrounds, and (2) men and women with experience as federal district court judges with extensive jury trial experience, including patent jury trial experience.

(Passed 1/05; R604-3)

RESOLVED, that the Section of Intellectual Property Law favors in principle encouraging the Federal Circuit judges to sit by designation on other federal courts and vice-versa, and Specifically, the Section favors the Federal Circuit exchanging judges with other federal courts through the designation process in order to give the Federal Circuit judges a better sense of how patent law fits in with other laws influencing innovation, and particularly encourages such exchange to provide Federal Circuit judges with greater exposure to patent jury trials.

## RECOMMENDATION 2:

### “Reinvigorate the non-obviousness standard.”

**“With respect to gene-sequence-related inventions, a low standard of non-obviousness results from Federal Circuit decisions making it difficult to make a case of obviousness against a genetic invention (for example, gene sequences). In this context the court should return to a stricter standard, which would also be more consistent with other countries’ practices in biotechnology patenting . . . . The committee therefore recommends that the USPTO and the Federal Circuit abandon the per se rule announced in *Bell and Deuel*”**

#### Section Response:

The Section agrees that the obviousness standard should apply equally to all technologies, but disagrees with the suggestion by the NRC that the standard of non-obviousness is low with respect to gene-sequence-related inventions, or that the Federal Circuit in *Bell and Deuel* established a different obviousness standard for gene-sequence inventions.

#### Section Resolutions:

(Passed 1/05; R103-1)

RESOLVED, that the Section of Intellectual Property Law supports, in principle, that the obviousness standard of Section 103 should apply equally to all technologies; and SPECIFICALLY, supports the legal precedent of *In re Bell*, 991 F.2d 781 (Fed. Cir. 1993) and *In re Deuel*, 51 F.3d 1552 (Fed. Cir. 1995), as correctly applying 35 U.S.C. §§ 102 and 103; and SPECIFICALLY, supports the position of the National Academy of Science (NAS) in its report, *A Patent System for the 21<sup>st</sup> Century*, that this standard should be applied to gene sequences in the same way as it is applied to other chemical substances; but disagrees with the suggestion in the NRC Report that the Federal Circuit Court of Appeals in *Bell and Deuel* established a different legal standard for obviousness of gene sequence inventions than for other chemical substances.

(Passed 1994 AR448-R-TF-1)

Section favors in principle maintaining the obviousness standard as set forth in 35 U.S.C. § 103 and, furthermore, opposes in principle any legislative modification of the obviousness standard of 35 U.S.C. § 103.

(Passed 1994 AR448-R-TF-2)

Section favors, in principle, relying on case law precedent for interpreting the obviousness standard of 35 U.S.C. § 103, and, furthermore, opposes in principle, any legislative modification of any judicial interpretation of the obviousness standard of 35 U.S.C. § 103.

(Passed 1994 AR448-R-TF-3)

Section opposes, in principle, raising the nonobviousness standard because, there is not substantial evidence that such a change would promote industrial and technological progress in the United States and, thereby, improve and strengthen the domestic economy.

(Passed 1994 AR448-R-TF-4)

Section opposes, in principle, raising the nonobviousness standard because, on the basis of information and belief, such a change would adversely impact the ability of the United States industry to compete in the B.C. international market.

(Passed 1994 AR448-R-TF-6)

Section opposes, in principle, any action by the Patent and Trademark Office to set or apply standards of obviousness or nonobviousness, by rule making or otherwise, which are inconsistent with the case law.

(Passed 1994 AR448-R-TF-7)

Section favors, in principle, that the obviousness standard, as presently set forth in 35 U.S.C. § 103 and as may be interpreted by the courts, continue to be applied to all areas of technology, and, furthermore, opposes the establishment of different standards of obviousness in different areas of technology.

### RECOMMENDATION 3:

#### “Institute an Open Review procedure.”

*“Congress should seriously consider legislation creating a procedure for third parties to challenge patents for a limited period after their issuance in an administrative proceeding before administrative patent judges of the USPTO. The speed, cost, and design details of this proceeding should make it an attractive alternative to litigation to determine patent validity and be fair to all parties.”*

#### Section Response:

The Section agrees, in principle, with the recommendation of the NRC for creation of a new administrative procedure to allow post-grant review of patents.

#### Section Resolutions:

(Passed 6/04; R103-18a)

RESOLVED, that the Section of Intellectual Property Law favors, in principle, the availability of appropriate simplified procedures to challenge the validity of claims in issued patents; and specifically the Section favors the adoption of an *inter partes*, post-grant review proceeding, commenced only upon a suitable threshold showing, such proceeding to provide the public with an appropriate means for challenging the validity of claims in issued patents at a reasonable cost and to provide patentees with adequate safeguards against harassment.

(Passed 6/04; R103-18b)

RESOLVED, that the Section of Intellectual Property Law favors, in principle, the inclusion in any legislative proposal to create an *inter partes*, post-grant review proceeding, of provisions that will provide the public with an appropriate means for challenging the validity of claims in issued patents at a reasonable cost, while providing patentees with adequate safeguards against harassment including provisions to:

[1] permit the filing of an opposition by any person, upon a suitable threshold showing, within a limited period of time not greater than 1 year after the date of the patent grant;

[2] permit as grounds for opposition a broader scope of invalidity issues under 35 U.S.C. §§ 102 (except 102(c), (f) and (g)), 103 and 112 (except for the best mode requirement), than is available in reexamination proceedings;

[3] permit a limited opportunity for amendment of the patent claims during the opposition;

[4] provide completely *inter partes* proceedings, including the right of any party thereto to appeal an adverse decision to the Court of Appeals for the Federal Circuit;

[5] provide that all evidence other than patents and printed publications be presented through affidavit or declaration, and that affiants and declarants be subject to cross-examination;

[6] limit discovery to cross-examination of affiants, unless otherwise required in the interest of justice;

[7] provide authority to the Board of Patent Appeals and Interferences to hear and decide all such post-grant review proceedings;

[8] put the burden of proof on the Opposer to show invalidity by a preponderance of the evidence; and

[9] require that the proceeding be completed within a specified period of time.

## RECOMMENDATION 4:

### “Strengthen USPTO capabilities.”

*“To improve its performance the USPTO needs additional resources.”*

#### Section Response:

The Section agrees that the Patent and Trademark Office needs additional resources and should be adequately funded.

#### Section Resolutions:

(Passed 4/04; R108-6)

RESOLVED, that the Section of Intellectual Property Law favors in principle adequate funding for the Patent and Trademark Office to permit high quality examination and reasonably prompt disposition of patent applications and to provide adequate services to the public, and submits that the Patent and Trademark Office should receive all of its user fees.

*“These funds should enable . . . . implementing a robust electronic processing capability.”*

#### Section Response:

The Section agrees that the USPTO should enhance its electronic processing capability.

#### Section Resolutions:

(Passed 1/05; R103-5)

RESOLVED, that the Section of Intellectual Property Law supports, in principle, the continued enhancement of electronic, patent application processing capabilities of the U.S. Patent and Trademark Office; and

SPECIFICALLY, supports the deployment within the Office of cost-effective, electronic-knowledge management tools that can assist patent examiners in making accurate and complete assessments of patentability, and

SPECIFICALLY, the Section favors that, where such cost-effectiveness can be demonstrated, such enhanced electronic capabilities include: (1) simplified methods for filing patent applications electronically; (2) user-friendly systems for electronically maintaining and accessing the patent and patent application file histories, including provisions for public access thereto for patents and published patent applications; (3) full-text searching features incorporated into all electronic records amenable thereto, including through use of optical character recognition capabilities for papers not originally filed in electronic form; and (4) "pre-searching"

technologies that would allow (a) a patent application, once in electronic form, to be analyzed electronically to assess its technical content, (b) prior art search strategies to be electronically devised and executed on relevant databases based upon such analysis, and (c) search results to be electronically provided to the patent examiner at the time the examiner first accesses the patent application in order to commence its examination.

***“These funds should enable . . . creating a strong multidisciplinary analytical capability to assess management practices and proposed changes.”***

**Section Response:**

The Section agrees that funds should be used to assess management practices and proposed changes.

**Section Resolutions:**

(Passed 1989 SP51-R407-5; **Retained 2000**)

Section favors in principle, that the USPTO seek appropriated funds to improve maintenance of current search files and application file histories in the USPTO for public access pending full deployment of the automated patent and trademark data bases.

(Passed by Council 1/93 AR31-R103-2; **Retained 2004**)

Section favors in principle that the Patent and Trademark Office be excluded from any across-the-board budget cut or personnel ceiling limitation effective throughout government.

(Passed 1979 SP 72-R103-4; **Retained 1999**)

Section favors in principle adequate funding for the Patent and Trademark Office to permit high quality examination and reasonably prompt disposition of patent applications and to provide adequate services to the public, and submits that patent-related fees should be set at a level appropriate to cover a reasonable portion of costs while not being at such a level as to discourage inventors.

(Passed 2004-R108-6)

Section favors in principle adequate funding for the Patent and Trademark Office to permit high quality examination and reasonably prompt disposition of patent applications and to provide adequate services to the public, and the use by the PTO of all of its user fees.

***“These funds should be used to . . . conduct reliable, consistent, reputable quality reviews that address office-wide as well as subunit and examiner performance.”***

### **Section Response:**

The Section supports expanding the current USPTO quality review program.

### **Section Resolutions:**

(Passed 1/05; R-103-3)

RESOLVED, that the Section of Intellectual Property Law supports, in principle, the strengthening of the capabilities of the U.S. Patent and Trademark Office; and

SPECIFICALLY, favors expanding upon the current quality review program—which currently randomly samples a small proportion of allowed patent applications and evaluates the allowed applications based on whether any additional rejections should have been made and whether a search was comprehensive—to achieve the following goals:

(i) reviewing a statistically significant number of allowed patent applications for examination quality indicia, such as whether the rejections made are supported by evidence and consistent with legal precedent, whether any additional rejections should have been made and whether a comprehensive search of the prior art was made;

(ii) analyzing statistics relating to examination quality indicia on an art-unit-by-art-unit basis;

(iii) using the statistics to provide additional training to underperforming art units; and

(iv) using the statistics to guide hiring or placement of supervisory patent examiners.

(Passed 1/05; R103-2)

RESOLVED, that the Section of Intellectual Property Law supports, in principle, the strengthening of the capabilities of the U.S. Patent and Trademark Office; and

SPECIFICALLY, favors the limited expansion of the use of second examiner review (aka "second pair of eyes") of patent applications during prosecution in the Patent and Trademark Office, in certain art areas where there is a demonstrated need, as an interim step in the overall improvement of the quality of examination of patents in such areas; and

SPECIFICALLY, favors using second examiner review in those art areas which are now, and where training of examining personnel has been, insufficient, for so long as necessary to ensure adequate examination quality and no longer, as utilization of examining resources in such manner is inherently inefficient and not in keeping with the need to reduce pendency in an environment of limited resources.

(Passed 1995 AR113-R103-14)

Section opposes, in principle, the termination of the Patent Quality Review Office and the Quality Review Program by the Patent and Trademark Office, without first having in place a well defined and proven program which is at least equally effective in maintaining the quality of patent examination.

***“[O]ne of the common occurrences in patent prosecution that should be much better documented is in-person or telephone negotiations between examiners and applicants’ representatives.”***

**Section Response:**

The Section supports complete documentation of interviews, but believes that the present USPTO requirements for documentation are sufficient if consistently followed.

**Section Resolutions:**

     (Passed 1/05; R103-4)

RESOLVED, that the Section of Intellectual Property Law supports, in principle, reasonable procedures to assure that complete documentation of in-person or telephone negotiations between examiners and applicants and/or their representatives is contained in the written file history of a patent; and

SPECIFICALLY, supports the existing requirements for documentation of interviews contained the Manual of Patent Examining Procedure § 713.04 (8th Ed., Rev. 2, May 2004) as setting forth a sufficient standard for such documentation through its requirement for a detailed written summary of all examiner interviews; but opposes The National Research Council of the National Academies’ recommendation in its report, *A Patent System for the 21st Century*, to require additional documentation.

210 (Passed 12/95; AR60-R704-3)

Whereas, it is widely agreed that Examiner Interviews are among the most effective techniques to advance prosecution of a patent application, but that one of their greatest disadvantages is cost; Now Therefore Be It Resolved, that the Section of Intellectual Property Law favors in principle expansion by the Patent and Trademark Office of the opportunities for video conferencing to conduct Examiner interviews.

## **RECOMMENDATION 5:**

**“Shield some research uses of patented inventions from liability for infringement.”**

*“In light of the Federal Circuit’s 2002 ruling that even noncommercial scientific research enjoys no protection from patent infringement liability, and in view of the academic research community’s belief in the existence of such an exemption, and behavior accordingly, there should be some level of protection for noncommercial uses of patented inventions. Congress should consider appropriately narrow legislation, but if progress is slow or delayed the Office of Management and Budget and the federal government agencies sponsoring research should consider extending “authorization and consent” to grantees as well as contractors, provided that such rights are strictly limited to research and do not extend to any resulting commercial products or services. Either legislation or administrative action could help ensure preservation of the “commons” required for scientific and technological progress.”*

### **Section Response:**

The Section agrees with the NRC recommendation that some research uses of patented inventions should be shielded from liability for infringement.

### **Section Resolution:**

(Passed 1988 SP 69-R101-4; Retained \_\_\_)

Section favors in principle an exemption from infringement for activities conducted solely for experimental or research purposes whether or not such activities are conducted by a commercial organization.

## RECOMMENDATION 6:

**“Modify or remove the subjective elements of litigation.”**

*“Three provisions of patent law that are frequently raised by plaintiffs or defendants (rarely by the courts) in infringement litigation depend on determining a party’s state of mind, and therefore generate high discovery costs. These provisions are (1) “willful infringement,” which if proven, exposes an infringer to possible triple damages; (2) the doctrine of “best mode,” which addresses whether an inventor disclosed in an application what the inventor considered to be the best implementation of the invention; and (3) the doctrine of “inadequate conduct,” concerning whether the applicant’s attorney intentionally misled the USPTO in prosecuting the original patent. To reduce the cost and increase the predictability of patent infringement litigation outcomes, and to avoid other unintended consequences, these provisions should be modified or removed.”*

### **Allegations of Willful Infringement**

*“Lacking evidence of its beneficial deterrent effect but with evidence of its perverse antidisclosure consequences, the committee recommends elimination of the provision for enhanced damages based on a subjective finding of willful infringement ... A modest step is to abolish the effective requirement that accused infringers obtain and then disclose a written opinion of counsel. Another possibility is to limit inquiry into willful infringement to cases in which the defendant’s infringement has already been established. A third alternative that preserves a viable willfulness doctrine but curbs its adverse effects is to require either actual, written notice of infringement from the patentee or deliberate copying of the patentee’s invention, knowing it to be patented, as a predicate for willful infringement.”*

### **Section Response:**

The Section favors substantial changes to the law of willful infringement. The Section proposes reforms to the scope and timing of the waiver of privilege when an attorney opinion is relied upon in defense of willfulness allegations. The Section is considering additional proposals that have emerged from the Business Software Alliance, the AIPLA and a Section Task Force.

## **Section Resolutions:**

(Passed 2001 AR421-R108-8)

Section favors, in principle, that the attorney-client privilege protecting communications between a client accused of patent infringement and that client's litigation counsel is not waived with respect to litigation counsel where the client has asserted the defense of reliance on advice of counsel in response to an allegation of willful infringement and where (1) the litigation counsel was at no time involved in rendering the advice upon which the client has asserted reliance; and (2) the opinion relied upon was rendered prior to the service of any summons and complaint alleging infringement.

(Passed 1996 AR421-R-601-5)

Section favors in principle the bifurcation of discovery regarding the issue of willful patent infringement based on a privileged opinion of counsel and, specifically, favors the bifurcation of discovery directly related to such an opinion or related opinions until after a finding of liability, allowing a brief hiatus after such finding (e.g., 30-60 days) to conduct expedited discovery concerning any such opinion or related opinions.

(Passed 1996 AR421-R-601-4)

Section favors in principle that a finding of willful patent infringement shall not be based solely on the absence of an opinion of counsel and, specifically, favors amendment of the second paragraph of 35 U.S.C. § 284 to add another sentence, as follows:

“In deciding whether to award increased damages under this Section, or attorney fees under Section 285 of this Title, in cases where the willfulness of the infringement is in issue, no finding of willfulness shall be supported solely by an inference based upon the failure of the infringer to obtain or produce an opinion of counsel establishing that the infringer had a bona fide good faith belief that it was not liable for such infringement; however, this shall not prevent the fact finder from taking the absence of or failure to produce such an opinion into account as a factor in determining whether the infringement was willful based upon the totality of the circumstances.”

(Passed 1994 AR308-R401-6/458-1)

Section supports in principle the proposition that an accused patent infringer should not be required to disclose its attorneys' opinions to a jury or offer other evidence before a jury in defense to a charge of willfulness before it has been found liable for infringement nor shall such attorneys' opinions be admissible into evidence upon motion of the patentee before the conclusion of the liability trial.

(Passed 1990 SP57-R108-2A; Retained 2001; Approved by ABA 2001)

Section opposes in principle a blanket rule under which the failure of an accused infringer to introduce an opinion of counsel at trial will permit an inference to be drawn that either no opinion was obtained or, if an opinion was obtained, it was contrary to the accused infringer's desire to initiate or continue its use of the patentee's invention.

## **Inequitable Conduct Defense in Patent Infringement Litigation.**

*“In view of its cost and limited deterrent value the committee recommends the elimination of the inequitable conduct doctrine or changes in its implementation. The latter might include ending the inference of intent from the materiality of the information that was withheld, de novo review by the Federal Circuit of district court findings of inequitable conduct, award of attorney’s fees to a prevailing patentee, or referral to the USPTO for re examination and disciplinary action. Any of these changes would have the effect of discouraging resort to the inequitable conduct defense and therefore reducing its cost.”*

### **Section Response:**

The Section agrees that changes in implementation of the inequitable conduct defense should be enacted in order to drive down the costs and complexity of patent litigation.

### **Section Resolutions:**

(Passed 1993 AR130-R108-34)

Section favors, in principle, that no patent shall be held invalid or unenforceable for an applicant's misstating information during prosecution of the application which matured into such patent, or for failure to disclose known prior art unless it is established by clear and convincing evidence both that such misstating or failure to disclose resulted from an intent to deceive and that such prior art, when considered alone or in combination with cited prior art, or that such misstating, caused issuance of one or more invalid claims of the patent; and Specifically, the Section favors adoption, either by the courts or by legislation, of a "but for" standard of materiality for resolving issues of inequitable conduct raised during litigation of an issued patent.

(Passed 1994 AR315-R403-1)

Section favors in principle a modification to the current law under which all claims in a patent are unenforceable even though the inequitable conduct relates to less than all the claims; and Specifically, the Section favors adoption of a rule under which the patentee would be permitted to establish, and have the burden to do so, that certain of the patent claims have not been tainted by the inequitable conduct.

## RECOMMENDATION 7:

**“Reduce redundancies and inconsistencies among national patent systems.”**

*“The United States, Europe, and Japan should further harmonize patent examination procedures and standards to reduce redundancy in search and examination and eventually achieve mutual recognition of results. Differences that among others are in need of reconciling include application priority (“first-to-invent” versus “first-inventor-to-file”), the grace period for filing an application after publication, the “best mode” requirement of U.S. law, and the U.S. exception to the rule of publication of patent applications after 18 months. This objective should be pursued on a trilateral or even bilateral basis as well as a multilateral basis.”*”

### **Section Response:**

The Section agrees that the United States should change its patents laws, including by adoption of the first-inventor-to-file principle to achieve greater harmonization with the patent laws in Europe and Japan and, conversely that Europe and Japan should make significant changes to their patent laws, including adoption of a one-year “grace period,” abolishing the “self-collision” rule, ending “novelty-only” uses of prior art, and ending “absolute novelty” rules that allow a single, oral, non-confidential divulcation of an invention to bar its later patenting.

### **Section and ABA Resolutions:**

(Adopted by the ABA House of Delegates, 2/14/05)

RESOLVED, That the American Bar Association supports enactment of legislation providing that the right to a patent shall belong to the inventor who first files an application for patent containing an adequate disclosure under 35 U.S.C. §112 of the invention or, in the event of an assignment of rights, shall belong to the assignee thereof;

FURTHER RESOLVED, That the American Bar Association supports concomitant efforts to conclude international patent harmonization agreements that incorporate such a principle.

(Passed 6/04; R108-1)

RESOLVED, that the Section of Intellectual Property Law reaffirms its support in principle for enactment of legislation providing that the right to a patent shall belong to the inventor who first files an application for patent containing an adequate disclosure (35 U.S.C. § 112) of the invention or, in the event of an assignment of rights, shall belong to the assignee thereof, and FURTHER, the Section supports concomitant efforts to conclude international patent harmonization agreements that incorporates such a principle.

(Passed 1/05; R102-2)

RESOLVED, that the Section supports, in principle, harmonization of the patent laws of the United States and at least Japan or major European countries that mandates U.S. adoption of a first-inventor-to-file system; and

SPECIFICALLY, in that harmonization context, the Section supports legislation eliminating from U.S. patent law:

(1) abandonment as set forth in 35 U.S.C. § 102(c) as a basis for a loss of right to patent;

(2) premature foreign patenting as set forth in 35 U.S.C. § 102(d) as an element of prior art or a basis for a loss of right to patent;

(3) an inventor's forfeiture of his or her right to patent an invention once placed "in public use or on sale" as set forth in 35 U.S.C. § 102(b) by providing that no such loss of right to patent an invention can arise unless the invention had become reasonably and effectively accessible to persons of ordinary skill in the art more than one year before the inventor sought a patent for the invention;

(4) prior art as set forth in 35 U.S.C. § 102(f), under which non-public knowledge of the inventor, not otherwise qualifying as prior art, can render an invention made by such inventor obvious, by:

(A) repealing section 102(f) and

(B) codifying elsewhere in Title 35 that the right to seek and obtain a patent is solely the right of the individual or individuals who made the invention for which a patent is sought (or, where applicable, the assignee of such inventor);

(5) the provisions currently in 35 U.S.C. § 102(g) providing that "secret prior art" (and/or loss of right to patent) can exist as from the date an invention of another inventor was made;

(6) the provisions currently in 35 U.S.C. §§ 102(a), (e), and (g) that permit the inventor to rely upon proofs of dates of invention in order to eliminate as prior art to an invention subject matter that would otherwise represent prior art relative to the effective filing date for the invention;

(7) the geographic restrictions on prior art currently in 35 U.S.C. §§ 102(a) and (b) that require proofs of knowledge or use in the United States;

(8) the English language requirement currently in 35 U.S.C. § 102(e), relating to published international applications for patent that can qualify as prior art as of their respective filing dates; and

(9) the requirement to disclose the "best mode" as set forth in 35 U.S.C. § 112, first paragraph, and

SPECIFICALLY, in that harmonization context, also supports legislation providing for the adoption of a first-inventor-to-file rule under which, after eliminating existing "loss of right to patent" provisions currently in 35 U.S.C. § 102 in the manner set forth above, prior art for determining both novelty and non-obviousness of a claimed invention in an application for patent would exist (subject, however, to the existing judge-made law on "obviousness-type double patenting") when and only when:

(1) the claimed invention was known (by virtue of being patented or described in a printed publication or otherwise known);

(A) before the effective filing date of the claimed invention, other than through disclosures made by the inventor or by a joint inventor or by others who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor, or

(B) more than one year prior to the effective filing date of the claimed invention, or

(2) the claimed invention was described in a U.S. patent, or in a U.S. nonprovisional or international application for patent, published as provided in Title 35 or the Patent Cooperation Treaty, in which the application or the patent names another inventor and was effectively filed before the effective filing date of the claimed invention; and

SPECIFICALLY, in that harmonization context, also supports, with respect to determining novelty and non-obviousness in accordance with items (1) and (2) in the foregoing clause, that:

(1) subject matter developed by a person other than the inventor that would have qualified as prior art under item (2) above but not under item (1) above would not be prior art to a claimed invention where the subject matter and the claimed invention were, not later than the effective filing date of the claimed invention, owned by the same person or subject to an obligation of assignment to the same person;

(2) subject matter would be regarded as known for the purposes of item (1) above only when it becomes reasonably and effectively accessible, either through its use or through its disclosure by other means where;

(A) reasonable accessibility requires that the subject matter can be accessed by persons of ordinary skill in the art to which the subject matter pertains without resort to undue efforts and

(B) effective accessibility requires that its content can be comprehended by persons of ordinary skill in the art to which the subject matter pertains without resort to undue efforts; and

(3) until a twelve-month grace period becomes effective under the patent laws of the member states of the European Patent Convention and in the patent law of Japan, the grace period under which disclosures made directly or indirectly by the inventor would only apply to disclosures made up to twelve months preceding the effective filing date in the United States.