

Comment 1

Subject: Comments on Proposed Rule 57

First, as a practitioner, I favor the ability to incorporate by reference material into a patent application. I like the proposed rule 57(a) not only for continuations and divisionals, but also for continuation-in-part applications, i.e., for all continuing applications.

I do not favor, however, the exclusion of U.S. patent applications that have yet to publish, or that have not and will not be published, and I urge the Office to reconsider its position. Any U.S. patent application should be eligible for incorporation by reference under proposed Rule 57(c), whether or not such U.S. patent application has been published.

Proposed Rule 57(b) also should be liberalized to include not only "incorporated by reference" as the magic trigger words, but also "incorporated herein by reference" or "hereby incorporated herein by reference" or other similar language including the words "incorporated" and "by" and "reference" within the same sentence. Proposed Rule 57(b) should be literally interpreted with a Draconian result.

Finally, and more troubling, is the Office's continued practice of permitting incorporation by reference, especially for essential material, in view of *Atmel Corp. v. Info. Storage Devices Inc.*, 198 F.3d 1374 (Fed. Cir. 1999). While I believe the majority's decision in *Atmel* was wrong, I do not believe that the true holding of *Atmel* should be ignored or glossed over by practitioners or the Office.

In this regard, the clear holding of *Atmel* is that material that is incorporated by reference is not "disclosed" as required by 35 USC 112 para. 6 under the written description inquiry of 35 USC 112, para. 1. In other words, material that is incorporated by reference is not part of the written description under 35 USC 112, para 1 and, thus, for example, cannot provide structure that is disclosed in the application under 35 USC 112, para. 6. A necessary implication of *Atmel* is that any material incorporated by reference is not part of the original disclosure when the application is filed and that amending the application to include such material comprises the introduction of new matter into the application.

Furthermore, while cases of the Federal Circuit and its predecessor courts have held that material that is incorporated by reference may be relied upon for anticipation purposes under 35 USC 102, no Federal Circuit case (or any other case for that matter) has ever held that incorporation by reference meets the written description requirement of 35 USC 112, para. 1. In fact, after extensive legal research, the current practitioner has found no published cases in which incorporation by reference was found to satisfy the written description inquiry under 35 USC 112, para. 1.

It therefore is believed that the Office has only tradition, and simply no case law, to rebut *Atmel* and support its position that essential material can be incorporated by reference from a U.S. patent or published U.S. patent application. Additionally, it is noted that *Atmel* is a statutory construction case and, therefore, the Office is afforded no discretion by the courts in its reading of 35 USC 112, para. 1, as the courts are the ultimate interpreters of statute.

Accordingly, it appears that the Office's continued practice of permitting any incorporation by reference is highly suspect in view of *Atmel*, and the Office is urged to carefully reconsider its current practices in view of a careful reading of *Atmel*. The dissenting opinion in *Atmel* should also be considered for its commentary on the majority's holding therein. If the current practitioner's reading of *Atmel* is correct, then the Office's proposed Rule 56 (and current practice) is prejudicial and misleading to the public.

Comment 2

Subject: Comment on Proposed Rule 27

A further clarification is needed for determining whether an applicant is entitled to small entity status.

It is clear that a sale by applicant of a product to a large entity, which product embodies the invention claimed in an application, is not a factor in determining an applicant's entitlement to small entity status.

Many inventions today are embodied in software. Furthermore, software is seldom ever "sold." Instead, software is "licensed" to customers, either through shrink-wrap licenses or otherwise. Is such a "license" by applicant of software to a large entity, which software embodies the invention claimed in an application, a factor in determining an applicant's entitlement to small entity status?

In other words, does a license to use software embodying the invention constitute an assignment, grant, conveyance, or license of "rights in the invention" so as to possibly preclude the claiming of small entity status? Does "rights in the invention" simply constitute the exclusionary rights that a patent provides, or does "rights in the invention" further include a right to use the embodiments of the invention?

It is noted that the original comments proposed by the Office in the early 1980s when the original small entity rule was proposed suggests that "rights in the invention" includes license rights to embodiments of the invention as well as the traditional, exclusionary patent rights.

Thank you for your consideration of public comments, such as these.

Respectfully submitted,
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