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From: tmspielbauer@mmm.com

Sent: Friday, September 08, 2006 6:23 PM

To: AB95 Comments

Subject: 3M IPC re:Changes to Information Disclosure Statements

ATTN: Hiram H. Bernstein

Please see attached file: 3MIPC_AB95_comments.pdf

Respectfully submitted,

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(See attached file: 3MIPC_AB95_comments.pdf)

The Honorable Jon W. Dudas
Under Secretary of Commerce for Intellectual Property
and Director of the United States Patent and Trademark Office

Attn: Hiram H. Bernstein
Senior Legal Advisor, Office of Patent Legal Administration
Office of the Deputy Commissioner for Patent Examination Policy

Re: Comments on Proposed Rules: "Changes To Information Disclosure Statement
Requirements and Other Related Matters
71 Fed. Reg. 131 (July 10, 2006)

Dear Under Secretary Dudas:

The United States Patent and Trademark Office (PTO) has recently proposed "Changes To Information Disclosure Statement Requirements and Other Related Matters."¹ Through the new rules, the PTO seeks "to enable an examiner to identify the most relevant prior art in an efficient and expeditious manner even when an IDS containing a large number of documents is submitted," with the underlying goal of improving the quality and efficiency of the examination process.² 3M Innovative Properties Company (3M IPC) appreciates and supports this goal.

3M is a diversified manufacturer across multiple technologies including healthcare (medical devices, pharmaceuticals, and information systems); industrial products (adhesives, abrasives, cleaning products); and telecommunications (semiconductors, electronic materials) to name a few.³ As such, 3M IPC can offer a viewpoint on the proposed rule changes and their potential impact across multiple technology fields.

3M IPC has supported past efforts to increase quality, efficiency, and speed of examination. For example, 3M IPC supported fee increases to fund the hiring and training of new examiners and recently participated in the development and introduction of the Electronic Filing System. It is with this spirit of cooperation that 3M IPC has approached this opportunity to comment on these proposed rule changes.

General Comments

The public, the USPTO, and applicants all benefit from a thorough, reliable, and efficient examination of patent applications. As currently proposed, the rule changes may advance some of these goals; however, some of the changes may have unintended adverse consequences.

¹ 71 Fed. Reg. 131, pp. 38808-38823 (July 10, 2006)

² Id. at 38809.

³ 3M IPC appreciates the different challenges arising in diverse technology areas, as 3M IPC files utility applications in each of the PTO's Technology Centers (i.e., 1600, 1700, 2100, 2600, 2800, 3600, and 3700).

3M IPC agrees in principle that focusing on the most relevant references, including characterizing some references, while eliminating truly cumulative references, could result in a more efficient examination. However, 3M IPC is concerned that the new rules may result in higher litigation costs and more frequent unfounded allegations of inequitable conduct. Even with the safe harbor provision proposed by the PTO, patentees will be confronted with the daunting challenge of defending each characterization of a cited reference and/or each decision to exclude or characterize a reference as cumulative in the face of an opponent armed with all the benefits of hindsight.

Cumulative References

The PTO has previously provided guidance regarding an applicant's decision to cite references.⁴ In view of this guidance, applicants face considerable uncertainty in reaching the decision whether a reference is "cumulative." For example, the Office has impressed upon applicants the risks associated with not citing references, stating:

Under the rule, information is not material unless it comes within the definition of 37 CFR 1.56(b)(1) or (2). If information is not material, there is no duty to disclose the information to the Office. Thus, it is theoretically possible for applicants to draft claims and a specification to avoid a *prima facie* case of obviousness over a reference and then withhold the reference from the examiner. The Office believes that most applicants will wish to submit the information, however, even though they may not be required to do so, to strengthen the patent and avoid the risks of an incorrect judgment on their part on materiality or that it may be held that there was an intent to deceive the Office.⁵

MPEP § 2004 also provides aids to compliance with the Duty of Disclosure that encourage applicants to err on the side of submission. For example:

- "It may be useful to evaluate the materiality of prior art or other information from the viewpoint of whether it is the closest art or other information. ... However, 37 CFR 1.56 may still require the submission of prior art or other information which is not as close as that of record."⁶
- "When in doubt it is desirable and safest to submit information. Even though the attorney, agent, or applicant doesn't consider it necessarily material, someone else may see it differently and embarrassing questions can be avoided. The court in *U.S. Industries v. Norton Co.*, 210 USPQ 94, 107 (N.D. N.Y. 1980) stated 'In short, the question of relevancy in close cases, should be left to the examiner and not the applicant.'"⁷

⁴ See, e.g., MPEP § 2004.

⁵ MPEP § 2001.05.

⁶ MPEP § 2004, ¶ 6.

⁷ MPEP § 2004, ¶ 10.

- “It may be desirable to submit information about prior uses or sales even if it appears that they may have been experimental, not involve a specifically claimed invention, or not encompass the completed invention.”⁸

Although the PTO has encouraged applicants to avoid citing irrelevant and cumulative information in the past, even these terms have been qualified. For example, MPEP § 2004, ¶ 13 states “Eliminate **clearly** irrelevant and **marginally pertinent** cumulative information.” (Emphasis added.)

In addition to the guidance encouraging applicants to err on the side of citation, applicants are also faced with the challenge of determining under what circumstances two references are cumulative. For example, because information may be material to patentability if “it establishes ... in combination with other information, a *prima facie* case of obviousness,”⁹ an applicant must consider the full disclosure of each reference in light of the disclosures of all other references. In addition, it is difficult to determine whether the teachings of a seemingly cumulative reference are truly cumulative with respect to the presence or lack of a motivation to combine or of teachings away.¹⁰ In addition, an applicant may have to revisit all of these considerations with each new piece of art identified during prosecution, as the relative relevance of multiple pieces of art can change in light of the teachings contained in any new piece of art.¹¹

In summary, clearly, two independent people looking at the same references may disagree as to whether a particular reference is cumulative. Requiring applicants to make this decision is contrary to the Office’s prior position that “the question of relevancy in close cases, should be left to the examiner and not the applicant.”¹²

Characterizing References

3M IPC recognizes that some benefit may be achieved by requiring applicants to characterize certain references. However, the frequency with which fraud and inequitable conduct are alleged in litigation, the costs associated with defending against such charges, and the impact that statements made during prosecution can have on subsequent interpretations of claim scope all encourage responsible practitioners to minimize characterizations of the prior art. This incentive to limit characterizations of the prior art during prosecution is compounded by the risk that the statements may be taken out of context or otherwise misused during litigation of later issued patent rights.

⁸ MPEP § 2004, ¶ 11.

⁹ 37 CFR § 1.56(b)(1).

¹⁰ See, e.g., 37 CFR § 1.56(b)(2) (Information may be material to patentability if “It refutes, or is inconsistent with a position an applicant takes in: (i) Opposing an argument of unpatentability relied on by the Office, or (ii) Asserting an argument of patentability.”).

¹¹ In addition, depending on the outcome of *KSR International Co. v. Teleflex Inc.* (pending before the United States Supreme Court), the number of references that could be considered as material may increase if the “motivation-teaching-suggestion” test for combinations of prior art references is relaxed or eliminated.

¹² MPEP § 2004, ¶ 10 (citing *U.S. Industries v. Norton Co.*, 210 USPQ 94, 107 (N.D. N.Y. 1980)).

Requiring applicants to characterize all references if the number of submitted references exceeds twenty penalizes applicants who conduct a thorough search of the prior art or who are more familiar with a technology area. Such applicants are likely to be aware of significantly more relevant art than applicants who file without performing searches or who are new to a technology area. In addition, in extreme cases, the proposed rules may actually encourage some applicants to limit the searching done prior to filing. This “head in the sand” approach would limit the number of references to which the applicant is exposed, thereby allowing one to avoid characterization of the art. However, as a result, examiners may not be presented with the most relevant references.

Finally, two independent people looking at the same reference may characterize it in two completely different ways. For example, a person’s background, experience and knowledge of the relevant art will affect that person’s judgment regarding the relevant portions of a reference. Thus, even if an applicant acts reasonably in characterizing a reference, if the examiner relies on this characterization, he or she may miss portions of the reference that are relevant to the examiner in ways unappreciated by an applicant.

The PTO appears to recognize this situation by the use of the terms “reasonable inquiry” and “reasonable steps” in the proposed safe harbor of section 1.56(f).¹³ 3M IPC appreciates the PTO’s efforts to address this problem, and supports the inclusion of a safe harbor provision regardless of the final form of the rules. However, as acknowledged by the PTO, a court is not bound by a duty of disclosure standard established by the PTO,¹⁴ although 3M shares the PTO’s hope that a court would take the safe harbor provision into account. In addition, the safe harbor provision will not protect applicants from unfounded charges of inequitable conduct and the expenses associated with defending against them. Rather, at best the inquiry will simply shift to the issue of whether the applicant’s actions were within the safe harbor.

An alternate proposal

Applicants would be entitled to a review of twenty references with the basic filing fee, but would be required to pay a surcharge commensurate with the added burden on the PTO for examination of additional references. Alternatively, if the PTO implements the characterization requirement, applicants would have the option to pay the surcharge rather than characterize the references.

¹³ Congress has recognized the importance of safe harbor provision in patent law, see, e.g., the safe harbor provided drug companies in 35 USC § 271(e)(1). Other administrative agencies have also implemented safe harbor provisions, such as ERISA (see, e.g., 29 CFR §2520.104b-1), and the IRS (see e.g., 26 CFR §1.121-3)

¹⁴ 71 Fed. Reg. 131 at p. 38811-38812 (July 10, 2006).

Specific comments and questions

1. 3M IPC is opposed to any retroactive effect of the proposed IDS rule changes. As detailed above, there are significant risks associated with identifying truly cumulative references and complying with the additional disclosure requirements. 3M IPC believes that each applicant should be entitled to tailor his/her application in view of all the risks associated with the subsequent prosecution of the application and potential enforcement of any resulting patent rights.
2. No procedure has been clearly established for challenging the PTO's decision that an information disclosure statement is noncompliant under § 1.97(i)(1) or the PTO's exercise of discretion in denying an applicant additional time to comply under § 1.97(i)(2). In addition, no procedure has been clearly established for responding to or appealing an examiner's rejection of an applicant's explanations as pro forma under section 1.98(3)(vii)(A). A clear statement of these procedures is requested.
3. If a bona fide attempt to comply with § 1.98 is made but a portion of the information is inadvertently omitted, § 1.97(i)(2) permits applicants to obtain additional time to comply when. Clarification of what constitutes a *bona fide* attempt by applicant is requested.
4. Section 1.98(a)(3)(i)(B) requires additional disclosure for references exceeding 25 pages,¹⁵ including drawing sheets.¹⁶ Generally, figures are described in the text of the specification; thus, although the combination of a figure and its description is expected to be clearer than either one alone, the information contained in each is largely duplicative. Therefore, under the proposed rules, certain portions of the specification will be double-counted, i.e., both the descriptions of the figures and the figures themselves will be counted against the page limit. In view of the duplicative nature of the information they provide, 3M IPC suggests that figures be excluded from the 25 page limit.

Summary

3M IPC is committed to continuing to work with the PTO to address common concerns regarding the quality, efficiency and speed of the patent prosecution process. 3M IPC also has a goal of optimizing the intellectual property rights of its clients and believes that significant advances in quality, efficiency and speed can be achieved without significantly impacting 3M IPC's ability to achieve that goal. This belief is reflected in the comments presented above.

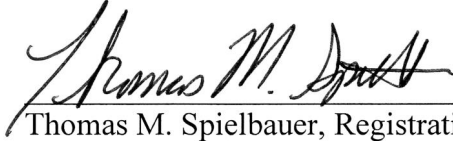
3M IPC appreciates the PTO's ongoing efforts to improve the patent prosecution process, including the efforts expended in preparing the current proposed rule changes. However, as discussed above, 3M IPC believes further refinements are necessary to achieve the

¹⁵ 71 Fed. Reg. 131 at p. 38821 (July 10, 2006).

¹⁶ *Id.* at p. 38813.

results desired by the PTO without unnecessarily burdening applicants and inventors. 3M IPC thanks the PTO for considering its views, and would welcome additional opportunities to address the issues impacted by the proposed rule changes.

Sincerely,



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September 8, 2006
Date

On behalf of 3M Innovative Properties Company