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**To:** AB95 Comments

**Subject:** Comments on Proposed revision of IDS rules in patent applications, 71 Fed. Reg. (No. 131) 38808, July 10, 2006

Attention Hiram H. Bernstein.

The proposed IDS regulations reflect a novel and pernicious perspective that applicants, rather than the Director of the United States Patent and Trademark Office, have a duty to examine their applications to determine patentability. It is the Director, not the applicant, who has the statutory obligation to perform the examination (35 USC 131). A public hearing should be held before any changes are made. The regulation should not be finalized in the form proposed.

The Applicant's duty of candor has always extended only to tell what he knows, not what he doesn't know. For this reason when rules 1.97 and 1.98 were introduced practitioners were told that they should submit information if a reasonable examiner would consider it pertinent. As a safe harbor applicants were assured that any information that might be material could be submitted, with the only qualification that a deliberate swamping of information known to be material, was prohibited. The Office is now reneging on this safe harbor assurance, asserting that we have an obligation to make a detailed evaluation of the materiality of all information submitted and to refrain from submitting some information if a detailed evaluation reveals that it is only cumulative. Instead of telling what the applicant does know, the Office now wants the applicant to generate and submit whole new categories of previously unknown information. The Office asks applicants to provide Explanation statements (of correlation, non-cumulative description, and patentability) whenever IDS citations exceed 20 references and for many citations submitted after the first period.

The current language of 37 CFR 1.98 (c) specifically recognizes that cumulative documents may be identified and exempts the submission of copies of certain of such documents provided a representation is made that the omitted copies cumulative. Necessarily, in the absence of such a representation, copies of all such documents are required. Therefore it is absurd to assert that applicant's currently have a duty to avoid submission of cumulative information.

The proposed rule conflicts with established case law on an applicant's duty of disclosure. As recently as July 2006 the Federal Circuit has said that, regardless of the applicant's conclusion that a reference is cumulative, when materiality of information is close, a patent applicant should err of the side of disclosure. *Flex-Rest LLC v. Steelcase Inc.*, No. 05-1354, (Fed. Cir 7/13/06). Applicants cannot err on the side of disclosure if the Office imposes a duty to avoid submission of cumulative information. From the perspective of the applicant, in all cases where an argument of cumulateness can be made, the new duty will strongly bias applicants toward non-disclosure, even if strong countervailing arguments exist. Submission will be an admission of non-cumulativeness.

Applicants currently have a substantial and proper interest in maximizing the number of references considered by the Examiner and in minimizing any possibility that information known to the applicant which conceivably might be asserted to be material would not be made of record in the examination. Under existing case law patents enjoy a "heightened" presumption of validity relative to the art of record. In order maximize the value of the patent property, every item of information known to applicant that passes a "might be material" review are desirably made of record in the application. This is a lawfully proper purpose for submitting information that may be cumulative. Furthermore patent litigants frequently spar over whether a particular item is in fact cumulative or non-cumulative. Such fights are avoided if the reference has been made of record.

This is another lawfully proper purpose for submitting information on a "might be material" basis. Intention to harass, delay or increase cost of prosecution has nothing to do with the submission of such information. The intent is to get the references cited on the face of the patent in order to enjoy the heightened presumption of validity which such listing provides. If such submissions cause delay or increase the cost of examination that is an incidental effect, not the purpose, of the submission. Consequently submission of cumulative information is not violative of 37 CFR 10.18 (b)(2). The contrary assertion in the Notice of Proposed Rulemaking at 71 FR 38809 is unreasonable and untenable as a matter of law.

The further assertion in the comments to the proposed regulations that the misconduct provisions of 37 CFR §10.23 (b) or (c) might be implicated by submission of cumulative information (other than in a circumstance of a deliberate swamping) is even more ludicrous. Trying to maximize the value of one's granted patent is not misconduct.

Evaluation, for the purpose of ranking and excluding potentially material information on basis of cumulativeness, was not part of the IDS process originally envisioned by rules 1.97 and 1.98 and it has never been part of the applicant's duty of candor to the Office as articulated in any court decision. The idea that applicants have an obligation to evaluate information with the specific objective of lessening the Office's workload is a completely novel proposition. It cannot be sustained under any reasonable reading of the existing regulations or case law.

If the Director is finding it difficult or impossible to properly perform his Examination duties under the weight of information provided to the Office it might be appropriate to modify rules 1.97 and 1.98 to try to lessen the examination load. However, to suggest, as has been done in the proposed rule, that the Director's inabilities are due to improprieties on the part of practitioners is a pernicious slander that should be expressly withdrawn.

Imposition of some additional examination fee for document submissions above 30 might be appropriate, and incremental increases in the fee, for instance in 10 document increments, might also be reasonable. But the Office needs to keep in mind that regardless of the number of documents submitted by the applicant, the Office has the obligation to review the entire state of the art relative to the particular invention claimed. Consequently, regardless of the number of documents submitted by an applicant, a competent examination by the Office must of necessity look at many documents, usually many more than twenty. In most cases where large document submissions are made, the reason is that the state of the art is advancing along a broad front and applicants are trying to provide what they know about the state of the art. The Office in a competent examination should be looking at those same documents whether or not the applicant submits them.

If the Office is does introduce Explanation duties on applicants who submit large IDS's, it is submitted that the most that should be required is to identify locations of the particularly pertinent portions in a document, the independent claims to which the portions are believed pertinent, and a statement of why the document is not novelty defeating. That is, an applicant can reasonably be requested to identify at least one feature missing between the reference and each independent claim. However, applicants should never be charged with formulating a position as to how the citations might be combined to make out a *prima facie* case of obviousness.

The proposed rulemaking completely ignores the huge enforcement problems which will be created by the Explanations required in the proposed regulations. The applicant should never be asked to formulate and refute every possible combination of references and every hypothetical argument for obviousness that might be made from those possible combinations. The Explanation statements will substantially increase the possibilities for patent challengers to assert violations of the duty of candor. Litigants will comb those statements to identify omitted combinations and will assert violations of the duty of disclosure on the basis of any omissions

they can formulate in hindsight. Placing a duty on applicants to formulate obviousness contentions in the first instance misplaces the most fundamental difference between the roles of applicants and that of Examiners. The Office has the burden to make an objective evaluation of the art. The applicant is entitled to contend against any obviousness assertion on the basis of every argument that can be marshaled against such assertion. If the applicants are to both formulate and refute every possible obviousness assertion the Office is effectively making applicants warrant the patentability of their claims. This abdication of examination responsibility will significantly impair the value of the statutory presumption of validity and therefore of patents in general.

If the IDS regulations are adopted in a form substantially as proposed, the Office should refund the search and examination fees in those applications where Explanations are provided for all documents cited. The applicant will have already performed those functions for the Office and should not be charged for functions that the Director refuses to perform.

It is understood that there has been no accounting to OMB for the substantial adverse impact on the value of US patents which the proposed regulations will create. Consequently the representations to OMB in justification for the regulations are seen to be inadequate.

It is not enough for the Office to state that applicants can avoid making Explanation statements by reasonably culling known information for cumulativeness and keeping submissions under 20 documents. Under the proposed regulation this is only possible for information that is available to applicants before the end of the second period. The Office makes no reasonable case why an applicant who can make a certification under 1.97(e)(1) or e(2) at the time of submission should be forced to make Explanation statements even when the number of documents counted under the rule does not exceed 20. If the applicant hasn't known of the reference, or it was only cited by a foreign office within the last 3 months, there is no reason why the applicant should be saddled with any additional burden in submitting such documents to the Office, regardless of the stage of prosecution. The documents are required to be submitted in order to comply with the Rule 56 duty of candor. There is nothing that the applicant reasonably can have done to get the information to the Office at an earlier time.

The Office fails to recognize that the applicant's duty of candor extends throughout the pendency of an application. The applicant is required by the duty of candor to submit information to the Office at any time it is recognized that a document is material, even if the applicant has known of the information for more than 3 months and a first action has issued. In fact, in many cases documents only become material as a result of an amendment or argument made in the course of prosecution. Currently, a late recognition, or late incurrence, of materiality can be taken care of by filing of an IDS with payment of a fee, or by the filing of an RCE or continuation, depending on the current stage of prosecution. Since the Office is proposing to severely limit filings of RCE and continuations there will be circumstances where the duty of candor cannot be complied with in a way that will make the document of record. If the Office is serious in promulgating the time limitations in this regulation it should abandon the current proposals to limit continuation and divisions.

After first action if an applicant submits an IDS triggering an Explanation requirement, the requirement should be limited to the documents submitted in that statement. The Examiner has presumptively considered the information previously submitted. Requiring that applicants go back to create Explanations for previously submitted documents is arbitrary and appears to be motivated by a desire to punish applicants for the IDS submission rather than to increase examination efficiency.

The Office is clearly not efficiently accessing information already available to it that could ease the burdens on both Examiners and on Applicants. The Office PAIR system already tracks US applications related by priority. The Office also has reciprocal data sharing agreements with

other major Offices including WIPO, EPO, JIPO, and others and/or status information on foreign applications is available at publicly available websites. This information allows tracking of equivalent patent applications and may include details of search reports and office actions. In the case of recent JIPO documents machine translations into English are also available. The applicant should not be charged with a duty to supply information which can easily be obtained and processed by the Office on a routine basis electronically. For each application indicated in the PAIR system to be related, the Office should provide Examiners with a master report of all of the related applications, all of the cited documents in those applications, and the applicant's prior statements about such documents that occur in any of those applications. This information can be provided by simple programming solution, would be very helpful to Examiners and would ease the applicant's disclosure burdens. This master report should also be extended to related foreign applications. The Office should provide that, if the applicant identifies a corresponding foreign application in particularized counties (e.g., Canada EP GB, WIPO, JIPO, Australia), no further information as to its status and the art cited need be provided. The USPTO should access the status information and citations and Office actions electronically directly from the foreign offices and encourage Examiners to give consideration to the issues raised by those Offices when pertinent to US law. If need be, an applicant might be required to provide a standardized consent to access such information. This would ease Examiner's burden by giving essentially instant updates of parallel foreign application status while reducing the burden on applicants in preparing submissions and in particular making inadvertent errors in such submissions as well as in triggering unnecessary statements against interest.

Additional comments, some of which pertain to language already in rule 1.97 or 1.98 and which will be retained in the revised rules:

- 1.97(e)(1) and (2): There has never been a good reason to separate the certifications under (1) and (2) and to require under (2) that "no item of information was cited in a counterpart application in a foreign office." The language creates confusion, multiplies IDS filings and serves no *bona fide* purpose. Applicants should be permitted to make a single certification that every item of information was *either* (a) first cited counterpart application in a foreign office not more than three months prior to the filing of the IDS *or* (b) to the knowledge of the person signing the certification after making reasonable inquiry, was not known to any individual designated in §1.56(c) more than three months prior to the filing of the IDS.
- 1.98(a)(2)(i): An exception to the requirement for copies should also be provided for EP and WO published applications in English. These documents are currently available to the Office electronically. The Office can make EP and WO documents available online to Examiners with the same ease as US patents and published applications. Cluttering up USPTO image files with multiple copies of such documents is unnecessarily duplicative. Burdening applicants with providing copies does not lessen the Examination load. English language documents from other patent offices should be similarly excepted when electronic copies are comprehensively available to the Office. Where electronic copies become available from a particular date, the Office should exempt documents from that date forward.
- 1.98(a)(2)(iv): The wording of this section contradicts the exceptions in (1.98(ii) and (iii)). The section should be revised.
- 1.98(a)(3)(i)(A) and 1.98(a)(xi): First, there is no reason to treat foreign language documents differently from English language documents if a complete translation is provided. In such cases an Explanation should only be required if the total number of submissions exceeds 20.

Second, applicants should be expressly permitted to base Explanations on the basis of published English language abstracts if a translation is not readily available to the applicant and the applicant has no reason to believe that the document contains non-cumulative information beyond that contained in the abstract. Alternatively, applicants should be expressly instructed not to submit foreign language documents when the only basis for submission is an English language abstract. In such alternative the abstract should be evaluated for submission independently of the foreign language document.

Third, recent JAPIO documents are available on the web with machine translations into English produced on the fly by a JAPIO translation machine. Likewise machine translations of other language documents can be manufactured by cut-and paste methods using web-based translation programs if an electronic text copy of the foreign can be found and the word limit in the selected web-based translator is not too small. Although they are usually very garbled these translations can be obtained free. They also often contain many errors of punctuation, paragraph formatting, and the like that are obvious upon simple inspection of the original language document, even where the inspector has no knowledge of the language of the original document. It is not clear how the Office views such machine translations. The Office should definitively state whether machine translations are to be considered "readily available" to applicants. If so, and a cut-and-paste technique is required to produce one, the Office should state how many cut-and-paste operations are needed to consider such a translation no-longer "reasonably available." Further the Office should state if any editing of the translation for obvious errors of punctuation, formatting, and the like, is expected and the amount of time an applicant should reasonably expend editing such translations before they are submitted to the USPTO.

1.98(b)(1)-(5): Examiners are frequently refusing to consider submitted documents if they find trivial defects in the listing of the documents on 1449 forms. This is arbitrary and capricious, particularly where the information is in fact cumulative of information known the Office. It is very costly to applicants and will become much more so under the proposed regulations. The Office should take steps to eliminate unnecessary information required in these sections. In particular:

1.98(b)(1): The US patent No. is sufficient. Inventor name and issue date are cumulative information already in the possession of the Office. At minimum the regulation should be clarified to state that only the first named inventor need be listed.

1.98(b)(2): The publication No. is sufficient. Inventor name and publication date are cumulative information already in the possession of the Office. At minimum the regulation should be clarified to state that only the first named inventor need be listed.

1.98(b)(3): The application No. is sufficient. Applicant names and filing date are cumulative information already in the possession of the Office. At minimum the regulation should be clarified to state that only the first named inventor need be listed.

1.98(b)(5): The information required under this section should only be such as can be ascertained from the face of the document or are known to the submitter. In the undersigned's experience one or more of the required items is frequently unknown when the document is submitted. Furthermore, place of publication is frequently unknown, is not relevant to issues normally considered by the Office and, with the exception of citations in Degree theses, is typically not included the citation conventions used in most arts. Place of publication should therefore be removed from the list of information required.

1.98(c): The Office now proposes to impose on applicants the new burden to avoid cumulative information. This proposed regulation is not merely procedural and

the analysis under the "Rulemaking Considerations" is flawed. If this duty is to be imposed on applicants it should only apply to the extent that applicants should be charged with avoiding submission of cumulative information when the total number of documents cited by the applicant exceeds 30.

1.98(d):

The section should be entirely revised. Because the Office is currently proposing to require that all divisions to be filed in parallel rather than serial order, there will be a larger number of concurrent examinations that applicant's will have to contend with. This additional burden, unwarranted by any offsetting benefit to the Office, will make it more likely that material information will turn up from one case at a late stage in prosecution of a related application. Since this will be a direct consequence of the Office's proposed limitation of Applicant's priority rights, and cannot be attributed to any actions taken by Applicants, individually or collectively, the burden for the late arrival of such information should be entirely borne by the Office. Preferably the Office should take the responsibility to track the parallel examinations through the PAIR system and to consider all documents cited in the parallel cases, making them of record in all cases claiming a common US priority. This can be easily done by flagging the family of parallel applications and emailing a copy of Office Actions to the other files whenever an action issues in a family member. There is no good reason why an applicant should have to tell the Office what its own databases tell it. At minimum, an applicant should be permitted to submit a reference cited in an office action within 3 months of submission in any application claiming a common priority, identifying the application and date of the action in which it was cited, without incurring any requirement to make Explanation statements, without incurring any fee, and without counting toward the 20 document limit.

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