IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re: Revision of the Duty to Disclose Information in Patent Applications and Reexamination Proceedings	Docket No. PTO—P—2011-0030 81 Fed. Reg. 74987

COMMENTS OF THE ELECTRONIC FRONTIER FOUNDATION AND PUBLIC KNOWLEDGE

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The Electronic Frontier Foundation (EFF) and Public Knowledge respectfully submit the following comments in response to the above-identified Notice of Proposed Rulemaking dated October 28, 2016.

I. Preliminary Statement

The United States Patent and Trademark Office (the "Patent Office") has proposed adopting the "but-for" standard set out in *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276 (Fed. Cir. 2011) (the "*Therasense* standard").

EFF and Public Knowledge are concerned that a rule that imposes the *Therasense* standard at the Patent Office limits the duties of applicants and practitioners in ways that would harm the public notice function of patents and the requirement that the Patent Office issue only those patents that can meet the standards set out in the Patent Act and associated case law.

EFF and Public Knowledge's concerns are discussed below.

II. There is no requirement that the Patent Office adopt the *Therasense* standard, and differing standards are common and not difficult to navigate

As recognized in the Notice of Proposed Rulemaking, 81 Fed. Reg. 74987, at 74989, there is no requirement that the Patent Office adopt the standards set forth by the Federal Circuit that guide a finding of inequitable conduct in an Article III court. The Patent Office's ability to regulate conduct before it arises from its regulatory powers to "govern the […] conduct of agents, attorneys, or other persons representing applicants or other parties before the Office." *Tafas v. Doll*, 559 F. 3d 1345, 1352 (Fed. Cir. 2009). Consequently, the Patent Office, in exercising its rulemaking authority, is free to set different standards from Article III courts so long as such standards are a reasonable exercise of that authority. *See, e.g.*, *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2145 (2016) (regulation regarding construction of claims that differed from that in an Article III court was "a reasonable exercise of [Patent Office] rulemaking authority").

Different standards between Patent Office procedures and Article III courts are common within patent law. For example, claims are regularly construed differently at the Patent Office than in an Article III court. *Compare, e.g.*, *In re Yamamoto*, 740 F.2d 1569, 1571 (1984) (broadest reasonable construction standard applies in reexamination) *with Phillips v. AWH Corp.*, 415 F.3d 1303, 1314 (2005) (claims are given their "ordinary meaning . . . as understood by a person of skill in the art"). As another example, claims are invalid under a preponderance of the evidence standard in an *inter partes* review at the Patent Office, whereas they must be shown to be invalid by clear and convincing evidence in court. *Compare* 35 U.S.C. § 316(e) *with Microsoft Corp. v. i4i Ltd. P'ship*, 564 U.S. 91, 95 (2011).

Within the legal community as a whole, attorneys are regularly bound by differing ethical standards. For example attorneys practicing in Federal district court are bound not only by the rules of their state bar association, but also by Federal Rule of Civil Procedure 11. *See generally*, Peter A. Joy, *The Relationship between Civil Rule 11 and Lawyer Discipline: An Empirical Analysis Suggesting Institutional Choices in the Regulation of Lawyers*, 37 Loy. L.A. L. Rev. 765 (2004).

Although single standards across agencies and courts may be simpler than multiple standards, *see* 81 Fed. Reg. 74989, such advantage, on its own, should not compel the Patent Office to change its rules. Indeed, as discussed below, other justifications for modifying the rules do not survive under scrutiny, and there are good reasons to maintain the current rules.

III. The other benefits of a *Therasense* standard at the Patent Office are overstated or illusory

Along with being "simpler for the patent system," the Notice justifies its harmonization with the *Therasense* standard due to arguments that such harmonization will reduce "the frequency with which charges of inequitable conduct are raised against applicants and practitioners" and it will also "reduce the incentive to submit marginally relevant information in information disclosure statements." 81 Fed. Reg. 74987, at 74989.

However, neither of these benefits is likely to occur, or if they do, they will provide only marginal gain at best.

First, because the *Therasense* standard governs in Article III courts regardless of the Patent Office rule, "the frequency with which charges of inequitable conduct are raised against applicants and practitioners" in those courts will see no change as a result of any standard adopted or maintained by the Patent Office. With respect to a challenge to a patent at the Patent Office, there do not currently appear to be any procedures that would allow a third party challenger to seek the unenforceability of a patent claim based on inequitable conduct. Nor does the Patent Office seem likely to raise the issue on its own. The Patent Office has stated that it no longer investigates charges of inequitable conduct, making any such charge seemingly meaningless. *See* MPEP § 1448. In sum, because a charge of inequitable conduct will almost surely only be raised in an Article III court where *Therasense* will control, the modification of standards at the *Patent Office* will have no effect on the frequency of inequitable conduct charges.

Second, the Notice argues the "reduce[d] incentive to submit marginally relevant information in information disclosure statements" as one of the purported "benefits" of

the *Therasense* standard. 81 Fed. Reg. 74987, at 74989. As a practical matter, no standard the Patent Office adopts will incentivize applicants to stop submission of marginally relevant information. There is no penalty for submitting art, whereas the penalty for failure to disclose, if the other prongs of the *Therasense* standard are met, is the unenforceability of the patent. *See Therasense*, 649 F.3d at 1285. Moreover, applicants are independently motivated to submit as much art as possible so that, if the patent is challenged in court, they can assure the fact-finder that this art was considered by the Patent Office. *See i4i*, 564 U.S. at 110 (prior art that was not before the Patent Office may "carry more weight"); *Sciele Pharma Inc. v. Lupin Ltd.*, 684 F.3d 1253, 1260 (Fed. Cir. 2012). Where overdisclosure has no penalty and underdisclosure carries risk, applicants are likely to overdisclose, regardless of the standard adopted by the Patent Office.

IV. Requiring explanations of art submitted is the optimal method of ensuring applicants do not overdisclose marginally relevant art.

EFF and Public Knowledge appreciate the Patent Office's concerns regarding the submission of marginally relevant information in information disclosure statements. However, as discussed above, the solution is not to curtail the duty of disclosure.

Instead, the Patent Office should enact procedures that lessen the burden on examiners that results from an applicant submitting a significant volume of information. Specifically, examiners ought to be encouraged to use Rule 1.105 requests for information to solicit explanations of the art submitted or identification of the most relevant pieces. The Patent Office should, potentially at levels tailored to individual art groups in light of the needs of that art group, adopt policies whereby examiners are encouraged to use such requests if an applicant has submitted what appears to be only marginally relevant information.

In EFF and Public Knowledge's experience, Rule 1.105 requests, despite their availability, are infrequently used, and their use may in fact be discouraged. This is unfortunate. Rule 1.105 requests provide an opportunity to enhance both patent examiner understanding of the claimed invention, as well as the public's.

Furthermore, if the Patent Office seeks to avoid examiners being flooded with references, then the Office should disavow the present notion that all references signed off by an examiner have been reviewed by the examiner. As discussed in the previous section, this legal fiction encourages applicants to submit as much art as possible during prosecution, so that the art receives more favorable treatment during litigation. The Patent Office policy during ex parte reexamination is that an examiner's review of an Information Disclosure Statement is "limited by the degree to which the party filing the information citation has explained the content and relevance of the document"; application of that policy to examination of applications would greatly reduce incentives to submit unnecessary references and diminish the burden on the Patent Office.

V. The Patent Office should be encouraging the disclosure of relevant art, regardless of whether it meets the *Therasense* standard, because of the benefits it gives to quality examination and the public

Information disclosure is useful for many things, beyond merely informing whether a patent is valid over the prior art. For example, litigation documents from related patents may inform how the patent applicant interprets related claims and inventions. Prior art may inform the level of skill of ordinary artisans, or how ordinary artisans would understand the invention. Information disclosure may also help suggest whether claims are indefinite or not, provide context for whether the specification is enabling, and ascertain whether patent claims are directed to merely generic devices.

This information disclosure is useful not only to the Patent Office, but also to the public at large who may later interact with the patent. That a patent applicant thought a particular piece of prior art from a particular field should be disclosed, for example, may let members of the public to better understand the claimed invention.

Even if the Patent Office does not enforce § 1.56 directly, a rule expecting disclosure beyond the *Therasense* but-for standard is appropriate. Ethics rules set an aspirational goal for those subject to those rules—indeed, the proposed rule still maintains an aspirational preamble. It would disserve the public notice function of patents and the very notion of candid examination of patents itself if this Office instructed applicants that the gold standard of disclosure is the bare but-for minimum.

The Patent Office should not lessen the standard of disclosure, in light of the harm it could cause to these benefits.

VI. Conclusion

The Patent Office has historically played an important role in managing discipline and ethics among patent practitioners and applicants, and such a role should not be abdicated for a standard that is only relevant for when patents are litigated.

EFF and Public Knowledge thank the PTO for the opportunity to comment regarding the proposed amendments to the rules of practice. If any questions remain or if additional information would be useful, the undersigned attorneys are happy to discuss these matters further.

Respectfully submitted,

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