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OFFICE OF MANAGEMENT AND BUDGET

Office of Federal Procurement Policy

Circular No. A-124, Patents—Small Firms and Non-Profit Organizations

AGENCY: Office of Federal Procurement Policy, OMB.

ACTION: Notice.

SUMMARY: This Circular, issued pursuant to the authority contained in Pub. L. 96-517, sets forth policies, procedures and a standard clause for executive branch agency use with regard to inventions made by small business firms and non-profit organizations and universities under funding agreements (contracts, grants and cooperative agreements) with Federal agencies where a purpose is to perform experimental, developmental and research work. This supersedes OMB Bulletin No. 81-22 and reflects public comments received on OMB Bulletin No. 81-22 (46 FR 34776, July 2, 1981).

EFFECTIVE DATE: March 1, 1982.

FOR FURTHER INFORMATION CONTACT: Mr. Fred H. Dietrich, Associate Administrator, Office of Federal Procurement Policy, 726 Jackson Place, NW., Washington, D.C. 20503, (202) 395-6810.

SUPPLEMENTARY INFORMATION: This Circular is a revision of OMB Bulletin No. 81-22 which was issued on July 1, 1981, accompanied by a request for comments from the public and Federal agencies. Approximately 138 comments were received from individuals, universities, nonprofit organizations, industrial concerns, and Federal agencies.

Copies of all the comments are available on record at OFPP. A compilation of summaries of the comments organized by Bulletin section along with a rationale for their disposition can be obtained by writing to: Fred Dietrich, address as above.

The Bulletin has been reformated for easier reading and simplified reference to its provisions. For example, the standard clause has been moved from the body of the Circular to Attachment A. Instructions and policies on the use of the standard clause have been consolidated in Part 7. Instructions for modification or tailoring of the clause have been consolidated in Part 8. Other general policies relating to the clause or the Act have been treated in separate parts. Some of the more significant changes that were made as a result of the comments are discussed below. Explanations are also given as to why certain comments were not adopted.

I. Comments Relating to Policy and Scope Sections

A. Subcontracts

A number of comments indicated that more clarification on the application of the Circular to subcontracts was needed. Revisions were made in Part 5 and Part 7c. to address this concern.

B. Limitation to Funding Agreements Performed in the United States

There were also a large number of comments questioning the limitation of the Bulletin to funding agreements performed in the United States. The Circular has been revised to eliminate any distinctions based on where the funding agreement is performed. However, the definition of "nonprofit organization" at 35 U.S.C. 201 has been interpreted to cover only *domestic* nonprofit organizations. The definition of "small business" in SBA regulations which are referenced in the Act excludes foreign business. A strong argument can be made that the Congress did not include foreign nonprofits. For example, that part of the statutory definition referencing organizations "qualified under a *State* nonprofit organization statute" clearly is limited to U.S. organizations. Similarly, that part of the definition referencing Section 501 of the Tax Code manifest an intention to cover U.S. based organizations, since foreign corporations are not subject to U.S. tax except if they are doing business in the United States.

C. Inventions Made Prior to July 1, 1981

Part 5 of the Circular was revised, as suggested by commentors, to encourage agencies to treat inventions made under funding agreements predating the Act in a manner similar to inventions under the

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C. Inventions Made Prior to July 1, 1981

Part 5 of the Circular was revised, as suggested by commentors, to encourage agencies to treat inventions made under funding agreements predating the Act in a manner similar to inventions under the

Act, if such action is consistent with law.

D. Collaborative Research and "de minimus" Recommendations

There were several comments that some "de minimus" standard be established to define a threshold contribution of government funding to the making of a jointly funded invention below which the Circular regulations should not apply. These recommendations were rejected as being inconsistent with the Act which does not define subject invention in terms of the size of the government financial contribution in making the invention.

These comments appear to be based on a concern that the Circular does not provide adequate guidance on the obligations of a recipient of government research funds when such research is closely related to other research sponsored by an industrial concern. Since one of the primary purposes of Pub. L. 96–517 is to foster cooperative research arrangements among government, universities and industry in order to more effectively utilize the productive resources of the nation in the creation and commercialization of new technology, it is important to remove any doubt as to the propriety of such cooperative arrangements and the proper application of the Circular to them.

Traditionally there have been no conditions imposed on research performers by the government which would preclude them from accepting research funding from other sources to expand, to aid in completing or to conduct separate investigations closely related to research activities sponsored by the government. Such complex funding arrangements are a necessity given the limited financial resources of individual sponsors, the unpredictable nature and continual expansion of research, the sharing of expensive resources, and the dynamic interactions among scientists at research institutions.

Notwithstanding the right of research organizations to accept supplemental funding from other sources for the purpose of expediting or more comprehensively accomplishing the research objectives of the government sponsored project, it is clear that the Act would remain applicable to any invention "conceived or first actually reduced to practice in performance" of the project. Separate accounting for the two funds used to support the project in this case is not a determining factor.

To the extent that a non-government sponsor establishes a project which, although closely related, falls outside the planned and committed activities of a government funded project and does not diminish or distract from the performance of such activities, inventions made in performance of the non-government sponsored project would not be subject to the conditions of the Act. An example of such related but separate projects would be a government sponsored project having research objectives to expand scientific understanding in field with a closely related industry sponsored project having as its objectives the application of such new knowledge to develop usable new technology. The time relationship in conducting the two projects and the use of new fundamental knowledge from one in the performance of the other are not important determinants since most inventions rest on a knowledge base built up by numerous independent research efforts extending over many years. Should such an invention be claimed by the performing organization to be the product of non-government sponsored research and be challenged by the sponsoring agency as being reportable to the government as a "subject invention", the challenge is appealable as described in Part 14.c.

An invention which is made outside of the research activities of a government funded project but which in its making otherwise benefits from such project without adding to its cost, is not viewed as a "subject invention" since it cannot be shown to have been "conceived or first actually reduced to practice" in performance of the project. An obvious example of this is a situation where an instrument purchased with government funds is later used, without interference with or cost to the government funded project, in making an invention all expenses of which involve only non-government funds.

E. Reports to the General Accounting Office

In response to the comment of one agency, Part 7.b.(2) was amended to avoid the necessity of agencies that do not enter into research grants or contracts with nonprofit organizations or small businesses from having to make reports to the Comptroller General.

F. Right to Sublicense Foreign Governments

Several commentators expressed concern that the optional language authorized for addition to the standard clause to permit sublicensing in accordance to treaties or international agreements was too open-ended. In response to this Part 8.d. now requires that existing treaties and international agreements be identified when the optional language is used. However, in view of the broad wording of the statute, agencies may continue to use the optional language for "future" treaties at their discretion. However, specific language has been added to encourage agencies to drop the reference to future treaties unless shown to be in the national interest.

One agency also expressed the concern that the language in the Bulletin was too limited and implied only a right to sublicense, whereas some international agreements call for more extensive rights. Section 8.d. has been revised to make clear that more than the right to sublicense can be taken.

G. Publication or Release of Invention Disclosures

Some agencies expressed the concern that the language in Part 5.b.(4) of the Bulletin required agencies to delay publication for excessive periods. Careful review of the language of Part 5.b.(4) indicated that it needed to be restructured to more clearly distinguish between situations where the publication of technical reports was involved and situations where the release or publication of invention disclosures provided as required under the standard clause was involved. Part 9 has been revised to distinguish between the two and to clarify the policies in the two situations.

H. Reporting on Utilization of Subject Inventions

In response to the comments of one agency and to minimize the burden on contractors, Part 10 provides that agencies shall not implement their rights to obtain utilization reports under the standard clause until a Government-wide reporting format is established. This will be one of the first tasks of the Department of Commerce as lead agency.

Also adopted was the recommendation of one commentor that utilization reports be afforded maximum protection from disclosure as authorized by Pub. L. 96–517. Accordingly, language was revised to provide that such reports "shall not" be disclosed under FOIA to the extent permitted by 35 U.S.C. 202(c.)(5).

I. Procedures for Exercise of March-in Rights

35 U.S.C. 203 requires that march-in rights be exercised in accordance with OFPP regulations. There were extensive comments on the procedures included in the Bulletin and a number of changes

sponsored project, it is clear that the Act would remain applicable to any invention "conceived or first actually reduced to practice in performance" of the project. Separate accounting for the two funds used to support the project in this case is not a determining factor.

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period was lowered from six months to two months after contractor personnel become aware of the invention. Paragraph (c)(1) also contains revised language to ensure that contractors keep the agency informed as to initiation of the one year statutory period within which a patient application must be filed in order to obtain a valid patent in the United States. The period in which an agency may require an election of rights has also been increased from 45 days prior to a U.S. statutory bar to 60 days. However, the requirements that a contractor also file 45 days prior to the bar date has been eliminated, but paragraph (c)(3) has been revised to require the contractor to file before the U.S. bar date in all cases. It is believed that it would be rare for a contractor to elect and not file within this time. It is also expected that an interested agency should be able to discuss with a contractor its plans for filing. If the contractor has subsequently changed its mind, the agency should be able to either convince the contractor to rescind its election or to take title under paragraph (d) on the grounds that the contractor has, in effect, abandoned its application. Should any real problems in this area develop in the future, consideration would be given to tightening up the clause provisions to cover cases when a contractor elects but makes no progress towards the timely preparation for filing.

One commentor expressed the concern that the clause requires a contractor to file foreign patents if it elects rights. It should be clear that while there is an implicit obligation to file an initial patent application when an election is made, the language is not intended to require the filing of foreign applications. Instead, it is intended to establish a cut-off point so that the sponsoring agency can file foreign applications if the contractor decides not to.

In short, the clause provisions have been written to ensure that agencies are able to make U.S. filings in cases when contractors have received reports from their inventors in time to allow this but are not themselves interested. Where such initial filings have been made, the clause is designed to protect the opportunity for the filing of foreign patents in cases when a bar was not created prior to the initial filing. However, it has been determined to be unreasonable to require contractors to forfeit domestic rights because publication creates an immediate bar to valid patent protection in some foreign countries.

C. Paragraph k

There were several comments on paragraph k. Some Commentators were apparently unware that these restrictions are required by Pub. L. 96–517. One commentator incorrectly interpreted paragraph k. (2) as requiring agency approval of exclusive licenses to large firms, whereas the language only requires approval of licenses to such firms which would exceed the five and eight year periods in the statute.

Probably the most significant comments in this area were related to the use of the word "any" in paragraph k. (3). It was pointed out that the use of the word "any" could be interpreted as requiring sharing of gross royalties, whereas many universities have sharing formulas based on net royalties. In response to these comments, the word "any" has been dropped since it is not in the statutory language. The intent is that nonprofit organizations share either on a net or gross basis in accordance with their usual policies.

There were also a few comments that some minimum sharing formula be established. However, this suggestion was rejected as being inconsistent with the legislative intent as manifest on p. 33 of Senate Report 96–480.

Paragraph 1—Communications

A new paragraph has been added at the end of the clause in which agencies are instructed to designate a central point of contact for administration of the clause. This paragraph was added as a result of a number of comments suggesting this in lieu of the provision in the bulletin that contact points be indentified throughout the clause whenever notices or communications to the agency were required.

OMB Circular No. A–124 follows.

Donald E. Sowle,
Administrator.

Circular No. A–124

February 10, 1982.

To the Heads of Executive Departments and Establishments.

Subject: Patents—Small Business Firms and Nonprofit Organizations.

1. *Purpose.* This Circular provides policies, procedures, and guidelines with respect to inventions made by small business firms and nonprofit organizations, including universities, under funding agreements with Federal agencies where a purpose is to perform experimental, developmental, or research work.

2. *Rescissions.* This Circular supersedes OMB Bulletin 81–22 effective March 1, 1982.

3. *Authority.* This Circular is issued pursuant to the authority contained in 35 U.S.C. 206 (Section 6 of Pub. L. 96–517, "The Patent and Trademark Amendments of 1980").

4. *Background.* After many years of public debate on means to enhance the utilization of the results of Government funded research, Pub. L. 96–517 was enacted. This Act gives nonprofit organizations and small businesses, with limited exceptions, a first right of refusal to title in inventions they have made in performance of Government grants and contracts. The Act takes precedence over approximately 26 conflicting statutory and administrative policies.

Under the Act, the Office of Federal Procurement Policy (OFPP) is responsible for the issuance of the regulations implementing 35 U.S.C. 202–204 after consultation with the Office of Science and Technology Policy (OSTP). On July 2, 1981, OMB Bulletin 81–22 was issued to provide interim regulations while agency and public comments were sought. Based on a review of these comments, this Circular is issued to establish permanent implementing regulations and a standard patent rights clause.

5. *Policy and Scope.* This Circular takes effect on March 1, 1982, and will be applicable to all funding agreements with small business firms and domestic nonprofit organizations executed on or after that date. This includes subcontracts at any tier made after March 1, 1982, with small business firms and nonprofit organizations even if the prime funding agreement was made prior to March 1, 1982. Unless prohibited by law, agencies are encouraged to treat subject inventions made under funding agreements made prior to July 1, 1981, in substantially the same manner as contemplated by Pub. L. 96–517 and this Circular for inventions made under funding agreements entered into subsequent to July 1, 1981. This can be accomplished through the granting of waivers of title on terms and conditions substantially similar to those set forth in the standard clause of Attachment A.

Agencies should be alert to determining whether amendments made after March 1, 1982, to funding agreements entered into prior to July 1, 1981, result in new funding agreements subjects to this Circular and the Act. Renewals and continuations after March 1, 1982, of funding agreements entered into prior to July 1, 1981, should be normally treated as new funding agreements.

This Circular is intended to establish uniform and coordinated

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This Circular is intended to establish uniform and coordinated

implementation of 35 U.S.C. 200–206 so as to foster the policy and objectives set forth in 35 U.S.C. 200.

6. *Definitions.* As used in this Circular—

a. The term "funding agreement" means any contract, grant, or cooperative agreement entered into between any Federal agency, other than the Tennessee valley Authority, and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal Government. Such term includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement, as herein defined.

b. The term "contractor" means any person, small business firm or nonprofit organization that is a party to a funding agreement.

c. The term "invention" means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code.

d. The term "subject invention" means any invention of a contractor conceived or first actually reduced to practice in the performance of work under a funding agreement.

e. The term "practical application" means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

f. The term "made" when used in relation to any invention means the conception or first actual reduction to practice of such invention.

g. The term "small business firm" means a small business concern as defined at section 2 of Pub. L. 85–536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this Circular, the size standards for small business concerns involved in Government procurement and subcontracting at 13 CFR 121.3–8 and 121.3–12, respectively, will be used.

h. The term "nonprofit organization" means universities and other institutions of higher education or an organization of the type described in section 501(c) (3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)) or any nonprofit scientific or educational organization qualified under a state nonprofit organization statute.

7. *Use of the Patent Rights (Small Business Firm or Nonprofit Organization) (March 1982) Clause.*

a. Each funding agreement awarded to a small business firm or domestic nonprofit organization which has as a purpose the performance of experimental, development or research work shall contain the "Patent Rights (Small Business Firm or Nonprofit Organization) (March 1982)" clause set forth in Attachment A with such modifications and tailoring as may be authorized in Part 8, except that the funding agreement may contain alternative provisions—

(1) When the funding agreement is for the operation of a Government-owned research or production facility; or

(2) In exceptional circumstances when it is determined by the agency that restriction or elimination of the right to retain title to any subject invention will better promote the policy and objectives of Chapter 38 of Title 35 of the United States Code; or

(3) When it is determined by a Government authority which is authorized by statute or executive order to conduct foreign intelligence or counterintelligence activities that the restriction or elimination of the right to retain title to any subject invention is necessary to protect the security of such activities.

b. (1) Any determination under Part 7.a.(2) of this Circular will be in writing and accompanied by a written statement of facts justifying the determination. The statement of facts will contain such information as the funding Federal agency deems relevant and, at minimum, will (i) identify the small business firm or nonprofit organization involved, (ii) describe the extent to which agency action restricted or eliminated the right to retain title to a subject invention, (iii) state the facts and rationale supporting the agency action, (iv) provide supporting documentation for those facts and rationale, and (v) indicate the nature of any objections to the agency action and provide any documentation in which those objections appear. A copy of the each such determination and written statement of facts will be sent to the Comptroller General of the United States within 30 days after the award of the applicable funding agreement. In cases of determinations application to small business firms, copies will also be sent to the Chief Counsel for Advocacy of the Small Business Administration.

(2) To assist the Comptroller General to accomplish his or her responsibilities under 35 U.S.C. 202, each Federal agency that enters into any funding agreements with nonprofit organizations or small business firms during the applicable reporting period shall accumulate and, at the request of the Comptroller General, provide the Comptroller General or his or her duly authorized represenative the total number of prime agreements entered into with small business firms or nonprofit organizations that contain the patent rights clause of Attachment A during each period of October 1 through September 30, beginning October 1, 1982.

c. (1) Agencies are advised that Part 7.a. applies to subcontracts at any tier under prime funding agreements with contractors that are other than small business firms or nonprofit organizations. Accordingly, agencies should take appropriate action to ensure that this requirement is reflected in the patent clauses of such prime funding agreements awarded after March 1, 1982.

(2) In the event an agency has outstanding prime funding agreements that do not contain patent flow-down provisions consistent with either this Circular or OMB Bulletin 81–22 (if it was applicable at the time the funding agreement was awarded), the agency shall take appropriate action to ensure that small business firms or domestic nonprofit organization subcontractors under such prime funding agreements that received their subcontracts after July 1, 1981, will receive rights in their subject inventions that are consistent with Pub. L. 96–517 and this Circular. Appropriate actions might include (i) amendment of prime contracts and/or subcontracts; (ii) requiring the inclusion of the clause of Attachment A as a condition of agency approval of a subcontract; or (iii) the granting of title to the subcontractor to identified subject inventions on terms substantially the same as contained in the clause of Attachment A in the event the subcontract contains a "deferred determination" or "acquisition by the Government" type of patent rights clause.

d. To qualify for the clause of Attachment A, a prospective contractor may be required by an agency to certify that it is either a small business firm or a domestic nonprofit organization. If the agency has reason to question the status of the prospective contractor as a small business firm or domestic nonprofit organization, it may file a protest in accordance with 13 CFR 121.3–5 if small business firm status is questioned or require the prospective contractor to

furnish evidence to establish its status as a domestic nonprofit organization.

8. *Instructions for Modification and Tailoring of the Clause of Attachment A.*

a. Agencies should complete the blank in paragraph g.(2) of the clause of Attachment A in accordance with their own or applicable Government-wide regulations such as the FPR or DAR. The flow-down provisions of the clause cited by the agency should, of course, reflect the requirement of Part 7.c.(1).

b. Agencies should complete paragraph 1. "Communications" at the end of the clause of Attachment A by designating a central point of contact for communications on matters relating to the clause. Additional instructions on communications may also be included in paragraph 1.

c. Agencies may replace the italicized or underlined words and phrases with those appropriate to the particular funding agreement. For example *"contract"* could be replaced by "grant", *"contractor"* by "grantee", and *"contracting officer"* by "grants officer." Depending on its use, *"Federal agency"* can be replaced either by the identification of the agency or by the specification of the particular office or official within that agency.

d. When the agency head or duly authorized designee determines at the time of contracting with a small business firm or nonprofit organization that it would be in the national interest to acquire the right to sublicense foreign governments or international organizations pursuant to any existing treaty or agreement, a sentence may be added at the end of paragraph b. of the clause of Attachment A as follows:

> This license will include the right of the Government to sublicense foreign governments and international organizations pursuant to the following treaties or international agreements: ; or pursuant to any future treaties or agreements with foreign governments or international organizations.

The blank in the above should be completed with the names of applicable existing treaties or international agreements. The above language is not intended to apply to treaties or agreements that are in effect on the date of the award which are not listed. The above language may be modified by agencies by deleting the reference to future treaties or agreements or by otherwise more narrowly defining classes of future treaties or agreements. The language may also be modified to make clear that the rights granted to the foreign government or international organization may be for additional rights beyond a license or sublicense if so required by the applicable treaty or international agreement. For example, in some cases exclusive licenses or even the assignment of title in the foreign country involved might be required. Agencies may also modify the language above to provide for the direct licensing by the contractor of the foreign government or international organization.

e. To the extent not required by other provisions of the funding agreement, agencies may add additional subparagraphs to paragraph (f) of the patent rights clause of Attachment A to require the contractor to do one or more of the following:

(1) Provide periodic (but no more frequently than annually) listings of all subject inventions required to be disclosed during the period covered by the report;

(2) Provide a report prior to the close-out of a funding agreement listing all subject inventions or stating that there were none;

(3) Provide notification of all subcontracts for experimental, developmental, or research work; and

(4) Provide, upon request, the filing date, serial number and title; a copy of the patent application; and patent number and issue date for any subject invention in any country in which the contractor has applied for patents.

Part 9. *Publication or Release of Invention Disclosures.*

a. 35 U.S.C. 205 provides as follows:

> Federal agencies are authorized to withhold from disclosure to the public information disclosing any invention in which the Federal Government owns or may own a right, title, or interest (including a nonexclusive license) for a reasonable time in order for a patent application to be filed. Furthermore, Federal agencies shall not be required to release copies of any document which is part of an application for patent filed with the United States Patent and Trademark Office or with any foreign patent office.

b. To the extent authorized by 35 U.S.C. 205, agencies shall not disclose to third parties pursuant to requests under the Freedom of Information Act (FOIA) any information disclosing a subject invention for a reasonable time in order for a patent application to be filed. With respect to subject inventions of contractors that are small business firms or nonprofit organizations, a reasonable time shall be the time during which an initial patent application may be filed under paragraph c. of the clause of Attachment A or such other clause that may be used in the funding agreement. However, an agency may disclose such subject inventions under the FOIA, at its discretion, after a contractor has elected not to retain title or after the time in which the contractor is required to make an election if the contractor has not made an election within that time. Similarly, an agency may honor an FOIA request at its discretion if it finds that the same information has previously been published by the inventor, contractor, or otherwise. If the agency plans to file itself when the contractor has not elected title, it may, of course, continue to avail itself of the authority of 35 U.S.C. 205.

c. As authorized by 35 U.S.C. 205, Federal agencies shall not release copies of any document which is part of an application for patent filed on a subject invention to which a small business firm or nonprofit organization elected to retain title.

d. A number of agencies have policies to encourage public dissemination of the results of work supported by the agency through publication in Government or other publications of technical reports of contractors or others. In recognition of the fact that such publication, if it included descriptions of a subject invention, could create bars to obtaining patent protection, it is the policy of the executive branch that agencies will not include in such publication programs, copies of disclosures of inventions submitted by small business firms or nonprofit organizations, pursuant to paragraph c. of the clause of Attachment A, except that under the same circumstances under which agencies are authorized to release such information pursuant to FOIA requests under Part 9.b. above, agencies may publish such disclosures.

e. Nothing in this Part is intended to preclude agencies from including in the publication activities described in the first sentence of Part 9.d., the publication of materials describing a subject invention to the extent such materials were provided as part of a technical report or other submission of the contractor which were submitted independently of the requirements of the patent rights provisions of the contract. However, if a small business firm or nonprofit organization notifies the agency that a particular report or other submission contains a disclosure of a subject invention to which it has elected or may elect title, the agency will use reasonable efforts to restrict its publication of the material for six months from date of its receipt of the report or submission or, if earlier, until the contractor has filed an initial patent application. Agencies, of course, retain the discretion to delay publication for additional periods of time.

f. Nothing in this Part 9 is intended to limit the authority of agencies provided

agencies by deleting the reference to future treaties or agreements or by otherwise more narrowly defining classes of future treaties or agreements. The language may also be modified to make clear that the rights granted to the foreign government or international organization may be for additional rights beyond a license or sublicense if so required by the applicable treaty or or nonprofit organizations, a reasonable time shall be the time during which an initial patent application may be filed under paragraph c. of the clause of Attachment A or such other clause that may be used in the funding agreement. However, an agency may disclose such subject inventions under the FOIA, at its discretion, after a contractor has elected not to retain title or after the time in reasonable efforts to restrict its publication of the material for six months from date of its receipt of the report or submission or, if earlier, until the contractor has filed an initial patent application. Agencies, of course, retain the discretion to delay publication for additional periods of time.

f. Nothing in this Part 9 is intended to limit the authority of agencies provided

in 35 U.S.C. 205 in circumstances not specifically described in this Part 9.

10. *Reporting on Utilization of Subject Inventions.*

a. Paragraph h. of the clause of Attachment A provides that agencies have the right to receive periodic reports from the contractor on utilization of inventions. In accordance with such instructions as may be issued by the Department of Commerce, agencies shall obtain such information from their contractors. Pending such instructions, agencies should not impose reporting requirements. The Department of Commerce and the agencies, in conjunction with representatives of small business and nonprofit organizations, shall work together to establish a uniform periodic reporting system.

b. To the extent any such data or information supplied by the contractor is considered by the contractor, or its licensee or assignee, to be privileged and confidential and is so marked, agencies shall not, to the extent permitted by 35 U.S.C. 202(c)(5), disclose such information to persons outside the Government.

11. *Retention of Rights by Inventor.* Agencies which allow an inventor to retain rights to a subject invention made under a funding agreement with a small business firm or nonprofit organization contractor, as authorized by 35 U.S.C. 202(d), will impose upon the inventor at least those conditions that would apply to a small business firm contractor under paragraphs d. (ii) and (iii); f.(4); h.; i.; and j. of the clause of Attachment A.

12. *Government Assignment to Contractor of Rights in Invention of Government Employee.* In any case when a Federal employee is a co-inventor of any invention made under a funding agreement with a small business firm or nonprofit organization and the Federal agency employing such co-inventor transfers or reassigns the right it has acquired in the subject invention from its employee to the contractor as authorized by 35 U.S.C. 202(e), the assignment will be made subject to the same conditions as would apply to the contractor under the clause of Attachment A.

13. *Exercise of March-in Rights.*

a. The following procedures shall govern the exercise of the march-in rights of the agencies set forth in 35 U.S.C. 203 and the clause at Attachment A.

b. Whenever an agency receives information that it believes might warrant the exercise of march-in rights, before initiating any march-in proceeding in accordance with the procedures of Part 13.c.-h. below, it shall notify the contractor in writing of the information and request informal written or oral comments from the contractor. In the absence of any comments from the contractor within 30 days, the agency may, at its discretion, proceed with the procedures below. If a comment is received, whether or not within 30 days, then the agency shall, within 60 days after it receives the comment, either initiate the procedures below or notify the contractor, in writing, that it will not pursue march-in rights based on the information about which the contractor was notified.

c. A march-in proceeding shall be initiated by the issuance of a written notice by the agency to the contractor and its assignee or exclusive licensee, as applicable, stating that the agency is considering the exercise of march-in rights. The notice shall state the reasons for the proposed march-in in terms sufficient to put the contractor on notice of the facts upon which the action would be based and shall specify the field or fields of use in which the agency is considering requiring licensing. The notice shall advise the contractor (assignee or exclusive licensee) of its rights, as set forth in this Circular and in any supplemental agency regulations. The determination to exercise march-in rights shall be made by the head of the agency or designee, except as provided in Part 13.j. below.

d. Within 30 days after receipt of the written notice of march-in, the contractor (assignee or exclusive licensee) may submit, in person, in writing, or through a representative, information or argument in opposition to the proposed march-in, including any additional specific information which raises a genuine dispute over the material facts upon which the march-in is based. If the information presented raises a genuine dispute over the material facts, the head of the agency or designee shall undertake or refer the matter to another official for fact-finding.

e. Fact-finding shall be conducted in accordance with the procedures established by the agency. Such procedures shall be as informal as practicable and be consistent with principles of fundamental fairness. The procedures should afford the contractor the opportunity to appear with counsel, submit documentary evidence, present witnesses and confront such persons as the agency may present. A transcribed record shall be made and shall be available at cost to the contractor upon request. The requirement for a transcribed record may be waived by mutual agreement of the contractor and the agency. Any portion of a fact-finding hearing that involves testimony or evidence relating to the utilization or efforts at obtaining utilization that are being made by the contractor, its assignee, or licensees shall be closed to the public, including potential licensees.

f. The official conducting the fact-finding shall prepare written findings of fact and transmit them to the head of the agency or designee promptly after the conclusion of the fact-finding proceeding. A copy of the findings of fact shall be sent to the contractor (assignee or exclusive licensee) by registered or certified mail.

g. In cases in which fact-finding has been conducted, the head of the agency or designee shall base his or her determination on the facts found, together with any other information and argument submitted by the contractor (assignee or exclusive licensee), and any other information in the administrative record. The consistency of the exercise of march-in rights with the policy and objectives of 35 U.S.C. 200–206 and this Circular shall also be considered. In cases referred for fact-finding, the head of the agency or designee may reject only those facts that have been found that are clearly erroneous. Written notice of the determination whether march-in rights will be exercised shall be made by the head of the agency or designee and sent to the contractor (assignee or exclusive licensee) by certified or registered mail within 90 days after the completion of fact-finding or the proceedings will be deemed to have been terminated and thereafter no march-in based on the facts and reasons upon which the proceeding was initiated may be exercised.

h. An agency may, at any time, terminate a march-in proceeding if it is satisfied that it does not wish to exercise march-in rights.

i. The procedures of this Part shall also apply to the exercise of march-in rights against inventors receiving title to subject inventions under 35 U.S.C. 202(d) and, for that purpose, the term "contractor" as used in this Part shall be deemed to include the inventor.

j. Notwithstanding the last sentence of Part 13.c., a determination to exercise march-in in cases where the subject invention was made under a contract may be made initially by the contracting officer in accordance with the procedures of the Contract Disputes Act. In such cases, the procedures of the Contract Disputes Act will apply in lieu of those in Parts 13.d.-g. above (except that the last sentence of Part 13.e. shall continue to apply). However, when the procedures of this Part 13.j. are used, the contractor, assignee, or exclusive

govern the exercise of the march-in rights of the agencies set forth in 35 U.S.C. 203 and the clause at Attachment A.

b. Whenever an agency receives information that it believes might warrant the exercise of march-in rights, before initiating any march-in proceeding in accordance with the procedures of Part 13.c.-h. below, it shall the opportunity to appear with counsel, submit documentary evidence, present witnesses and confront such persons as the agency may present. A transcribed record shall be made and shall be available at cost to the contractor upon request. The requirement for a transcribed record may be waived by mutual agreement of the contractor and the agency. Any portion of a fact-finding may be made initially by the contracting officer in accordance with the procedures of the Contract Disputes Act. In such cases, the procedures of the Contract Disputes Act will apply in lieu of those in Parts 13.d.-g. above (except that the last sentence of Part 13.e. shall continue to apply). However, when the procedures of this Part 13.j. are used, the contractor, assignee, or exclusive

licensee will not be required to grant a license and the Government will not grant any license until after either: (1) 90 days from the date of the contractor's receipt of the contracting officer's decision, if no appeal of the decision has been made to an agency board of contract appeals, or if no action has been brought under Section 10 of the Act within that time; or (2) the board or court, as the case may be, has made a final decision in cases when an appeal or action has been brought within 90 days of the contracting officer's decision.

k. Agencies are authorized to issue supplemental procedures, not inconsistent herewith, for the conduct of march-in proceedings.

14. *Appeals.*

a. The agency official initially authorized to take any of the following actions shall provide the contractor with a written statement of the basis for his or her action at the time the action is taken, including any relevant facts that were relied upon in taking the action:

(1) A refusal to grant an extension under paragraph c.(4) of the clause of Attachment A.

(2) A request for a conveyance of title under paragraph d. of the clause of Attachment A.

(3) A refusal to grant a waiver under paragraph i. of the clause of Attachment A.

(4) A refusal to approve an assignment under paragraph k.(1) of the clause of Attachment A.

(5) A refusal to approve an extension of the exclusive license period under paragraph k.(2) of the clause of Attachment A.

b. Each agency shall establish and publish procedures under which any of the agency actions listed in Part 14.a. above may be appealed to the head of the agency or designee. Review at this level shall consider both the factual and legal basis for the action and its consistency with the policy and objectives of 35 U.S.C. 200–206 and this Circular.

c. Appeals procedures established under Part 14.b. above shall include administrative due process procedures and standards for fact-finding at least comparable to those set forth in Part 13.e.–g. of this Circular whenever there is a dispute as to the factual basis for an agency request for a conveyance of title under paragraph d. of the clause of Attachment A, including any dispute as to whether or not an invention is a subject invention.

d. To the extent that any of the actions described in Part 14.a. are subject to appeal under the Contracts Dispute Act, the procedures under that Act will satisfy the requirements of Parts 14. b. and c. above.

15. *Licensing of Background Patent Rights to Third Parties.*

a. A funding agreement with a small business firm or a domestic nonprofit organization will not contain a provision allowing a Federal agency to require the licensing to third parties of inventions owned by the contractor that are not subject inventions unless such provision has been approved by the agency head and a written justification has been signed by the agency head. Any such provision will clearly state whether the licensing may be required in connection with the practice of a subject invention, a specifically identified work object, or both. The agency head may not delegate the authority to approve such provisions or to sign the justification required for such provisions.

b. A Federal agency will not require the licensing of third parties under any such provision unless the agency head determines that the use of the invention by others is necessary for the practice of a subject invention or for the use of a work object of the funding agreement and that such action is necessary to achieve practical application of the subject invention or work object. Any such determination will be on the record after an opportunity for an agency hearing, and the contractor shall be given prompt notification of the determination by certified or registered mail.

16. *Administration of Patent Rights Clause.*

a. It is important that the Government and the contractor know and exercise their rights in subject inventions in order to ensure their expeditious availability to the public, to enable the Government, the contractor, and the public to avoid unnecessary payment of royalties, and to defend themselves against claims and suits for patent infringement. To attain these ends, contracts should be so administered that:

(1) Inventions are identified, disclosed, and an election is made as required by the contract clause.

(2) The rights of the Government in such inventions are established;

(3) When appropriate, patent applications are timely filed and prosecuted by contractors or by the Government;

(4) The rights in patent applications are documented by formal instruments such as licenses or assignments;

(5) Expeditious commercial utilization of such inventions is achieved.

b. With respect to the conveyance of license or assignments to which the Government may be entitled under the clause of Attachment A, agencies should follow the guidance provided in 41 CFR 1–9.109–5 or 32 CFR 9–109.5.

c. In the event a subject invention is made under funding agreements of more than one agency, at the request of the contractor or on their own initiative, the agencies shall designate one agency as responsible for administration of the rights of the Government in the invention.

17. *Modification of Existing Agency Regulations.*

a. Existing agency patent regulations or other published policies concerning inventions made under funding agreements shall be modified as necessary to make them consistent with this Circular and 35 U.S.C. 200–206. Agency regulations shall not be more restrictive or burdensome than the provisions of this Circular.

b. After March 1, 1982, this Circular and 35 U.S.C. 200–206 shall take precedence over any conflicting agency regulations or policies.

18. *Lead Agency Designation.* In order to assist the Office of Federal Procurement Policy to ensure that 35 U.S.C. 200–206 and this Circular are implemented in a uniform and consistent manner, the following responsibilities are assigned to the Department of Commerce (hereafter referred to as "The Department"). Other agencies shall fully cooperate and assist in the carrying out of these responsibilities:

a. The Department will monitor agency regulations and procedures for consistency with the Act and this Circular, and it shall provide recommendations to OFPP and agencies whenever it finds inconsistencies.

b. The Department will consult with representatives of agencies and contractors to obtain advice on—

(1) the development of the periodic reporting system required under Part 10 of this Circular, and

(2) changes in this Circular which may be needed based on actual experience under the Circular.

c. The Department will accumulate, maintain, and publish such statistics and analysis on utilization and activities under this Circular and under Government patent policies and practices generally, as may be agreed to between the Department and OFPP.

d. The Department will make recommendations to OFPP on changes that may be needed in this Circular.

19. *Sunset Review Date.* This Circular shall have a policy review no later than three years from the date of its issuance.

20. *Inquiries.* All questions or inquiries should be submitted to the Office of Management and Budget.

is a dispute as to the factual basis for an agency request for a conveyance of title under paragraph d. of the clause of Attachment A, including any dispute as to whether or not an invention is a subject invention.

d. To the extent that any of the actions described in Part 14.a. are subject to appeal under the Contracts Dispute Act, the procedures under that Government;

(4) The rights in patent applications are documented by formal instruments such as licenses or assignments;

(5) Expeditious commercial utilization of such inventions is achieved.

b. With respect to the conveyance of license or assignments to which the Government may be entitled under the clause of Attachment A, agencies should between the Department and OFPP.

d. The Department will make recommendations to OFPP on changes that may be needed in this Circular.

19. *Sunset Review Date.* This Circular shall have a policy review no later than three years from the date of its issuance.

20. *Inquiries.* All questions or inquiries should be submitted to the Office of Management and Budget.

Office of Federal Procurement Policy, telephone number (202) 395–6810.

Donald E. Sowle,
Administrator.

David A. Stockman,
Director.

Attachment A—Circular A–124

The following is the standard patent rights clause to be used in funding agreements as provided in Part 7.

Patent Rights (Small Business Firms and Nonprofit Organizations) (March 1982)

a. Definitions

(1) "Invention" means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code.

(2) "Subject Invention" means any invention of the *contractor* conceived or first actually reduced to practice in the performance of work under this *contract.*

(3) "Practical Application" means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

(4) "Made" when used in relation to any invention means the conception or first actual reduction to practice of such invention.

(5) "Small Business Firm" means a small business concern as defined at Section 2 of Pub. L. 85-536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standards for small business concerns involved in Government procurement and subcontracting at 13 CFR 121.3–8 and 13 CFR 121.3–12, respectively, will be used.

(6) "Nonprofit Organization" means a university or other institution of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)) or any nonprofit scientific or educational organization qualified under a state nonprofit organization statute.

b. Allocation of Principal Rights

The *contractor* may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 U.S.C. 203. With respect to any subject invention in which the *contractor* retains title, the Federal Government shall have a non-exclusive, non-transferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.

c. Invention Disclosure, Election of Title and Filing of Patent Applications by Contractor.

(1) The *contractor* will disclose each subject invention to the *Federal agency* within two months after the inventor discloses it in writing to *contractor* personnel responsible for patent matters. The disclosure to the *agency* shall be in the form of a written report and shall identify the *contract* under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding, to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to the *agency,* the *contractor* will promptly notify the *agency* of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by the *contractor.*

(2) The *contractor* will elect in writing whether or not to retain title to any such invention by notifying the *Federal agency* within twelve months of disclosure to the *contractor: Provided,* That in any case where publication, on sale or public use has initiated the one year statutory period wherein valid patent protection can still be obtained in the United States, the period for election of title may be shortened by the *agency* to a date that is no more than 60 days prior to the end of the statutory period.

(3) The *contractor* will file its initial patent application on an elected invention within two years after election or, if earlier, prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use. The *contractor* will file patent applications in additional countries within either ten months of the corresponding initial patent application or six months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications where such filing has been prohibited by a Secrecy Order.

(4) Requests for extension of the time for disclosure to the *agency,* election, and filing may, at the discretion of the *funding Federal agency,* be granted.

d. Conditions When the Government May Obtain Title

(1) The *contractor* will convey to the *Federal agency,* upon written request, title to any subject invention:

(i) If the *contractor* fails to disclose or elect the subject invention within the times specified in c. above, or elects not to retain title.

(ii) In those countries in which the *contractor* fails to file patent applications within the times specified in c. above: *Provided, however,* That if the *contractor* has filed a patent application in a country after the times specified in c., above, but prior to its receipt of the written request of the *Federal agency,* the *contractor* shall continue to retain title in that country.

(iii) In any country in which the *contractor* decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in reexamination or opposition proceeding on, a patent on a subject invention.

e. Minimum Rights to Contractor

(1) The *contractor* will retain a nonexclusive, royalty-free license throughout the world in each subject invention to which the Government obtains title except if the *contractor* fails to disclose the subject invention within the times specified in c., above. The *contractor's* license extends to its domestic subsidiaries and affiliates, if any, within the corporate structure of which the *contractor* is a party and includes the right to grant sublicenses of the same scope to the extent the *contractor* was legally obligated to do so at the time the *contract* was awarded. The license is transferable only with the approval of the *funding Federal agency* except when transferred to the successor of that party of the *contractor's* business to which the invention pertains.

(2) The *contractor's* domestic license may be revoked or modified by the *funding Federal agency* to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions in the Federal Property Management Regulations. This license will not be revoked in that field of use or the geographical areas in which the

section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)) or any nonprofit scientific or educational organization qualified under a state nonprofit organization statute.

b. Allocation of Principal Rights

The *contractor* may retain the entire right, title, and interest throughout the world to each subject invention subject statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use. The *contractor* will file patent applications in additional countries within either ten months of the corresponding initial patent application or six months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign

funding Federal agency to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions in the Federal Property Management Regulations. This license will not be revoked in that field of use or the geographical areas in which the

contractor has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of the *funding Federal agency* to the extent the *contractor*, its licensees, or its domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

(3) Before revocation or modification of the license, the *funding Federal agency* will furnish the *contractor* a written notice of its intention to revoke or modify the license, and the *contractor* will be allowed thirty days (or such other time as may be authorized by the *funding Federal agency* for good cause shown by the *contractor*) after the notice to show cause why the license should not be revoked or modified. The *contractor* has the right to appeal, in accordance with applicable regulations in the Federal Property Management Regulations concerning the licensing of Government-owned inventions, any decision concerning the revocation or modification of its license.

f. Contractor Action to Protect the Governments Interest

(1) The *contractor* agrees to execute or to have executed and promptly deliver to the *Federal agency* all instruments necessary to (i) establish or confirm the rights the Government has throughout the world in those subject inventions to which the *contractor* elects to retain title, and (ii) convey title to the *Federal agency* when requested under paragraph d. above, and to enable the Government to obtain patent protection throughout the world in that subject invention.

(2) The *contractor* agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the *contractor* each subject invention made under contract in order that the *contractor* can comply with the disclosure provisions of paragraph c. above, and to execute all papers necessary to file patent applications on subject inventions and to establish the Government's rights in the subject inventions. This disclosure format should require, as a minimum, the information required by c.(1) above. The *contractor* shall instruct such employees through employee agreements or other suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

(3) The *contractor* will notify the *Federal agency* of any decision not to continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than thirty days before the expiration of the response period required by the relevant patent office.

(4) The *contractor* agrees to include, within the specification of any United States patent application and any patent issuing thereon covering a subject invention, the following statement, "This invention was made with Government support under (identify the contract) awarded by (identify the *Federal agency*). The Government has certain rights in this invention."

g. Subcontracts

(1) The *contractor* will include this clause, suitably modified to identify the parties, in all subcontracts, regardless of tier, for experimental developmental or research work to be performed by a small business firm or domestic nonprofit organization. The subcontractor will retain all rights provided for the *contractor* in this clause, and the *contractor* will not, as part of the consideration for awarding the subcontract, obtain rights in the subcontractor's subject inventions.

(2) The *contractor* will include in all other subcontracts, regardless of tier, for experimental, developmental or research work the patent rights clause required by *(cite section of agency implementing regulations, FPR, or DAR)*.

(3) In the case of subcontracts, at any tier, when the prime award with the Federal agency was a contract (but not a grant or cooperative agreement), the agency, subcontractor, and the contractor agree that the mutual obligations of the parties created by this clause constitute a contract between the subcontractor and the Federal agency with respect to those matters covered by this clause.

h. Reporting on Utilization of Subject Inventions

The *contractor* agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the *contractor* or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the *contractor*, and such other data and information as the *agency* may reasonably specify. The *contractor* also agrees to provide additional reports as may be requested by the *agency* in connection with any march-in proceeding undertaken by the *agency* in accordance with paragraph j. of this clause. To the extent data or information supplied under this section is considered by the *contractor*, its licensee or assignee to be privileged and confidential and is so marked, the *agency* agrees that, to the extent permitted by 35 U.S.C. 202(c)(5), it will not disclose such information to persons outside the Government.

i. Preference for United States Industry

Notwithstanding any other provision of this clause, the *contractor* agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any subject invention in the United States unless such person agrees that any products embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by the *Federal agency* upon a showing by the contractor or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

j. March-in Rights

The *contractor* agrees that with respect to any subject invention in which it has acquired title, the *Federal agency* has the right in accordance with the procedures in OMB Circular A-124 (and agency regulations at) to require the *contractor*, an assignee or exclusive licensee of a subject invention to grant a non-exclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the *contractor* assignee, or exclusive licensee refuses such a request, the *Federal agency* has the right to grant such a license itself if the *Federal agency* determines that:

(1) Such action is necessary because the *contractor* or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use.

(2) Such action is necessary to alleviate health or safety needs which

subject inventions and to establish the Government's rights in the subject inventions. This disclosure format should require, as a minimum, the information required by c.(1) above. The *contractor* shall instruct such employees through employee agreements or other suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of

frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the *contractor* or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the *contractor*, and such other data and information as the

to grant such a license itself if the *Federal agency* determines that:

(1) Such action is necessary because the *contractor* or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use.

(2) Such action is necessary to alleviate health or safety needs which

are not reasonably satisfied by the *contractor*, assignee, or their licensees;

(3) Such action is necessary to meet requirements for public use specified by Federal regulations and such requirements are not reasonably satisfied by the *contractor*, assignee, or licensees; or

(4) Such action is necessary because the agreement required by paragraph i. of this clause has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of such agreement.

k. Special Provisions for Contracts with Non-profit Organizations

If the *contractor* is a non-profit organization, it agrees that:

(1) Rights to a subject invention in the United States may not be assigned without the approval of the *Federal agency*, except where such assignment is made to an organization which has as one of its primary functions the management of inventions and which is not, itself, engaged in or does not hold a substantial interest in other organizations engaged in the manufacture or sale of products or the use of processes that might utilize the invention or be in competition with embodiments of the invention provided that such assignee will be subject to the same provisions as the *contractor*);

(2) The *contractor* may not grant exclusive licenses under United States patents or patent applications in subject inventions to persons other than small business firms for a period in excess of the earlier of:

(i) Five years from first commercial sale or use of the invention; or

(ii) Eight years from the date of the exclusive license excepting that time before regulatory agencies necessary to obtain premarket clearance, unless on a case-by-case basis, the Federal agency approves a longer exclusive license. If exclusive field of use licenses are granted, commercial sale or use in one field of use will not be deemed commercial sale or use as to other fields of use, and a first commercial sale or use with respect to a product of the invention will not be deemed to end the exclusive period to different subsequent products covered by the invention.

(3) The *contractor* will share royalties collected on a subject invention with the inventor; and

(4) The balance of any royalties or income earned by the *contractor* with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, will be utilized for the support of scientific research or education.

l. Communications

(Complete According to Instructions at Part 8.b. of this Circular).

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products covered by the invention.

(3) The *contractor* will share royalties collected on a subject invention with the inventor; and

(4) The balance of any royalties or income earned by the *contractor* with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions,

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Amendment to Expedite the Licensing of Federally Owned Inventions

In enacting the landmark *Bayh-Dole Act of 1980,* Congress began what was to become a steady stream of legislation removing legal roadblocks to the commercialization of federally-funded R&D by the U.S. private sector.

The primary purpose of *Bayh-Dole* was to allow universities to license their federally-supported patents to industry. This has proven to be a tremendous economic boon to the United States. The most recent survey by the Association of University Technology Managers estimates that university licensing alone contributes $21 billion annually to the U.S. economy and licensing has increased **68%** between 1991-1995.

Bayh-Dole also contains provisions regarding the licensing of inventions owned by the federal government. While the law assured federal agencies that they should seek licensees for their technologies, it did not fundamentally alter the status quo for them. *Bayh-Dole* simply codified what several agencies had established as standard administrative practices. The essence of these practices was a series of public notices that exclusive licenses were available followed by another public notice inviting challenges to any company seeking such licenses. Even without a challenge, such notices routinely require at least a six month delay in decision making.

The question of what to do to improve these practices was not the purpose of the Act. Thus, Section 207 of *Bayh-Dole* regarding licensing government-owned inventions was a holding action until Congress revisited the issue. At the time of enactment, the problem of moving these discoveries into the marketplace was widely recognized. The Comptroller General documented government's inability to license **28,000** on the shelf discoveries. This was one of the main reasons why universities were allowed to manage their patent portfolios without the redtape handicapping the federal agencies.

Beginning in 1984, Congress began addressing the issue of improving technology transfer in the federal laboratory system. With the proven successes of *Bayh-Dole* at universities, the same model of decentralized management of technology and removal of unnecessary bureaucratic delays was applied to university-operated federal laboratories.

In I986 the historic *Federal Technology Transfer Act* was enacted allowing Government owned and operated laboratories to perform cooperative research and development agreements (CRADAS) with industry, and to provide exclusive licenses to resulting inventions. These incentives were extended to laboratories operated by for profit organizations in 1989.

In order to speed up the commercialization of resulting technologies, Congress enacted the *National Technology Transfer and Advancement Act of 1995* which guarantees industry collaborators rights to exclusive field of use licenses to inventions made under the law.

The common goal of all these initiatives was the removing of legal obstacles to effective partnerships between the public and private sectors, recognizing that industry must undertake great risks and expenditures to bring new discoveries to the marketplace. Congress also recognizes that in the competitive world economy, time to market is a key critical factor for successful products.

collaborators rights to exclusive field of use licenses to inventions made under the law.

The common goal of all these initiatives was the removing of legal obstacles to effective partnerships between the public and private sectors, recognizing that industry must undertake great risks and expenditures to bring new discoveries to the marketplace. Congress also recognizes that in the competitive world economy, time to market is a key critical factor for successful products.

Despite all of the legislative progress promoting the commercialization of federally-supported R&D since 1980, nothing has been done to speed up the licensing of the billions of dollars of on the shelf technologies owned by the federal government. The very name of Section 209, "*Restrictions* on licensing federally owned inventions," is indicative of the approach taken. While many of the provisions in licensing government owned patents parallel those in licensing university owned inventions (e.g. domestic manufacture, preference to small businesses, reasonable time to commercialization, etc.), there is one important difference. Section 209 requires agencies seeking exclusive licensees to provide public notice and an opportunity for others to file written objections to the action.

Federal regulations normally require **three months** notification of the availability of the invention for exclusive licensing in the *Federal Register*. If a company responds seeking to license the invention exclusively, there follows another notice providing for a **60 day** period for filing objections. The prospective licensee is publicly identified along with the invention during this second notice.

This built in delay of at least 5 months, along with public notification that a specific company is seeking the license is a great disincentive to commercializing on the shelf government inventions. Additionally, it is a very rare small company which scans the *Federal Register* looking for new technologies. These provisions were made before the advent of electronic communications, which have become the norm for posting the availability of patents available for licensing. Virtually all federal laboratories and universities use their electronic homepages to freely post such notices.

No such requirements for public notification and the filing of objections exist for licensing university patents or patents made by **contractor operated federal laboratories.** No such restrictions apply to companies seeking cooperative research and development agreements under the *Federal Technology Transfer Act* which now guarantees companies the right to an exclusive field of use license. In all the years that the statutes have been utilized, no evidence has arisen that the universities or contractor-operated laboratories abuse these authorities. The steady increase of university licensing agreements, royalties, commercialized technologies and economic benefits to the U.S. economy show that removing such legal impediments is critical to success.

Changing this provision would not only speed the commercialization of*billions of dollars* of on the shelf technologies, it would also allow these discoveries to be effectively included in CRADAS which is now very difficult to do.

Finally, these built in delays fundamentally exacerbate industries' biggest complaint about dealing with the federal government as an R&D partner-- that it simply takes too long to complete a deal. Requiring a half of a year delay to receive a license that both parties want to grant makes no sense.

Removing this restriction eliminates the last significant legal roadblock to expediting licensing and commercialization of federally-funded patents. This should provide an important tool for our economic growth **if** the agencies apply this new authority aggressively.

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The Amendment

The attached amendment removes the legal obstacles to effectively licensing federally-owned inventions by adopting the successful **Bayh-Dole** approach. The amendment provides parallel authorities to license federally-owned inventions to those currently in *Bayh-Dole* for licensing university or university-operated federal laboratory patents.

The amendment also amends the *Federal Technology Transfer Act* to allow federal laboratories to include already existing patented inventions into cooperative research and development agreements (CRADAS) under that Act.

Thus, agencies are provided with two important new tools for effectively commercializing on the shelf technologies-- licensing them as stand alone inventions under the revised authorities of section 209 of *Bayh-Dole*, or including them as part of a larger package under a CRADA. This will make both mechanisms much more attractive to U.S. companies striving to form partnerships with federal laboratories as important parts of their corporate strategies.

1. Add to FTTA, section 3710 (b)(2):

grant or agree to grant in advance, to a collaborating party, patent licenses or assignments, or options thereto, in any invention made in whole or in part by a laboratory employee under the agreement ***or to a federally-owned invention*** ... (new language emphasized.

2. Delete Section 209, P.L. 96-517, as amended, and insert in lieu thereof:

Section 209 Licensing federally owned inventions

(a) Any federal agency may grant exclusive or partially exclusive licenses on federally owned inventions when such actions are reasonable and necessary incentives to call forth the investment capital and expenditures needed to bring the invention to practical application or otherwise promote the invention's utilization to the public.

(b) In making determinations to grant exclusive or partially exclusive licenses, the federal agency shall also consider that the public will be served by such licenses in view of the applicant's intentions, plans, and ability to bring the invention to practical applications or otherwise promote the invention's use by the public.

(c) A Federal agency shall not grant such exclusive licenses under this subsection if it determines that the grant of such licenses will tend to substantially lessen competition or to create or maintain other situations inconsistent with the antitrust laws.

(d) In making such determinations, the federal agency shall normally grant the right to use or sell the invention only to a licensee that agrees that any products embodying the invention or produced through the use of the invention will be manufactured substantially in the United States.

(e) First preference in granting exclusive or partially licensing of federally owned inventions shall go to small business firms having equal likelihood as other applicants to bring the invention to practical application within a reasonable time.

(f) After consideration of whether the interests of the Federal Government, the public interest, or those of United States industry in foreign commerce will be enhanced, any Federal agency may grant exclusive or partially exclusive licenses in any invention covered by a foreign patent application or patent unless it determines that the grant of such licenses will tend to substantially lessen competition, or create or maintain other situations inconsistent with antitrust laws.

(g) The Federal agency shall maintain a record of determinations to grant exclusive or partially exclusive licenses.

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(h) Any grant of a license shall contain such terms and conditions as the Federal agency determines appropriate for the protection of the interests of the Federal Government and the public, including provisions for the following:

(1) periodic reporting on the utilization or efforts at obtaining utilization that are being made by the licensee of the invention: *Provided,* That any such information shall be treated by the Federal agency as commercial and financial information obtained from a person and privileged and confidential and not subject to disclosure under section 552 of title 5 of the United States Code:

(2) the right of the Federal agency to terminate such license in whole or in part if it determines that the licensee is not executing their commitment to achieve practical utilization of the invention within a reasonable time:

(3) the right of the Federal agency to terminate such license in whole or in part if the licensee is in breach of an agreement obtained pursuant to paragraph (d) of this section; and

(4) the right of the Federal agency to terminate such license in whole or in part if the licensee determines that such action is necessary to meet requirements for public use specified by Federal regulations issued after the date of the license and such requirements are not reasonably satisfied by the licensee.

Public Law 96-480
96th Congress

An Act

To promote United States technological innovation for the achievement of national economic, environmental, and social goals, and for other purposes.

Oct. 21, 1980
[S. 1250]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Stevenson-Wydler Technology Innovation Act of 1980".

Stevenson-Wydler Technology Innovation Act of 1980.
15 USC 3701 note.

SEC. 2. FINDINGS.

15 USC 3701.

The Congress finds and declares that:

(1) Technology and industrial innovation are central to the economic, environmental, and social well-being of citizens of the United States.

(2) Technology and industrial innovation offer an improved standard of living, increased public and private sector productivity, creation of new industries and employment opportunities, improved public services and enhanced competitiveness of United States products in world markets.

(3) Many new discoveries and advances in science occur in universities and Federal laboratories, while the application of this new knowledge to commercial and useful public purposes depends largely upon actions by business and labor. Cooperation among academia, Federal laboratories, labor, and industry, in such forms as technology transfer, personnel exchange, joint research projects, and others, should be renewed, expanded, and strengthened.

(4) Small businesses have performed an important role in advancing industrial and technological innovation.

(5) Industrial and technological innovation in the United States may be lagging when compared to historical patterns and other industrialized nations.

(6) Increased industrial and technological innovation would reduce trade deficits, stabilize the dollar, increase productivity gains, increase employment, and stabilize prices.

(7) Government antitrust, economic, trade, patent, procurement, regulatory, research and development, and tax policies have significant impacts upon industrial innovation and development of technology, but there is insufficient knowledge of their effects in particular sectors of the economy.

(8) No comprehensive national policy exists to enhance technological innovation for commercial and public purposes. There is a need for such a policy, including a strong national policy supporting domestic technology transfer and utilization of the science and technology resources of the Federal Government.

(9) It is in the national interest to promote the adaptation of technological innovations to State and local government uses. Technological innovations can improve services, reduce their costs, and increase productivity in State and local governments.

(10) The Federal laboratories and other performers of federally funded research and development frequently provide scientific

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Technological innovations can improve services, reduce their costs, and increase productivity in State and local governments.

(10) The Federal laboratories and other performers of federally funded research and development frequently provide scientific

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and technological developments of potential use to State and local governments and private industry. These developments should be made accessible to those governments and industry. There is a need to provide means of access and to give adequate personnel and funding support to these means.

(11) The Nation should give fuller recognition to individuals and companies which have made outstanding contributions to the promotion of technology or technological manpower for the improvement of the economic, environmental, or social well-being of the United States.

15 USC 3702.

SEC. 3. PURPOSE.

It is the purpose of this Act to improve the economic, environmental, and social well-being of the United States by—

(1) establishing organizations in the executive branch to study and stimulate technology;

(2) promoting technology development through the establishment of centers for industrial technology;

(3) stimulating improved utilization of federally funded technology developments by State and local governments and the private sector;

(4) providing encouragement for the development of technology through the recognition of individuals and companies which have made outstanding contributions in technology; and

(5) encouraging the exchange of scientific and technical personnel among academia, industry, and Federal laboratories.

15 USC 3703.

SEC. 4. DEFINITIONS.

As used in this Act, unless the context otherwise requires, the term—

(1) "Office" means the Office of Industrial Technology established under section 5 of this Act.

(2) "Secretary" means the Secretary of Commerce.

(3) "Director" means the Director of the Office of Industrial Technology, appointed pursuant to section 5 of this Act.

(4) "Centers" means the Centers for Industrial Technology established under section 6 or section 8 of this Act.

(5) "Nonprofit institution" means an organization owned and operated exclusively for scientific or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

(6) "Board" means the National Industrial Technology Board established pursuant to section 10.

(7) "Federal laboratory" means any laboratory, any federally funded research and development center, or any center established under section 6 or section 8 of this Act that is owned and funded by the Federal Government, whether operated by the Government or by a contractor.

(8) "Supporting agency" means either the Department of Commerce or the National Science Foundation, as appropriate.

Office of Industrial Technology, establishment. 15 USC 3704.

SEC. 5. COMMERCE AND TECHNOLOGICAL INNOVATION.

(a) IN GENERAL.—The Secretary shall establish and maintain an Office of Industrial Technology in accordance with the provisions, findings, and purposes of this Act.

(b) DIRECTOR.—The President shall appoint, by and with the advice and consent of the Senate, a Director of the Office, who shall be

funded by the Federal Government, whether operated by the Government or by a contractor.

(8) "Supporting agency" means either the Department of Commerce or the National Science Foundation, as appropriate.

Office of Industrial Technology, establishment. 15 USC 3704.

SEC. 5. COMMERCE AND TECHNOLOGICAL INNOVATION.

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(b) DIRECTOR.—The President shall appoint, by and with the advice and consent of the Senate, a Director of the Office, who shall be

compensated at the rate provided for level V of the Executive Schedule in section 5316 of title 5, United States Code.

(c) DUTIES.—The Secretary, through the Director, on a continuing basis, shall—

(1) determine the relationships of technological developments and international technology transfers to the output, employment, productivity, and world trade performance of United States and foreign industrial sectors;

(2) determine the influence of economic, labor and other conditions, industrial structure and management, and government policies on technological developments in particular industrial sectors worldwide;

(3) identify technological needs, problems, and opportunities within and across industrial sectors that, if addressed, could make a significant contribution to the economy of the United States;

(4) assess whether the capital, technical and other resources being allocated to domestic industrial sectors which are likely to generate new technologies are adequate to meet private and social demands for goods and services and to promote productivity and economic growth;

(5) propose and support studies and policy experiments, in cooperation with other Federal agencies, to determine the effectiveness of measures with the potential of advancing United States technological innovation;

(6) provide that cooperative efforts to stimulate industrial innovation be undertaken between the Director and other officials in the Department of Commerce responsible for such areas as trade and economic assistance;

(7) consider government measures with the potential of advancing United States technological innovation and exploiting innovations of foreign origin; and

(8) publish the results of studies and policy experiments.

(d) REPORT.—The Secretary shall prepare and submit to the President and Congress, within 3 years after the date of enactment of this Act, a report on the progress, findings, and conclusions of activities conducted pursuant to sections 5, 6, 8, 11, 12, and 13 of this Act and recommendations for possible modifications thereof. Report to President and Congress.

SEC. 6. CENTERS FOR INDUSTRIAL TECHNOLOGY. 15 USC 3705.

(a) ESTABLISHMENT.—The Secretary shall provide assistance for the establishment of Centers for Industrial Technology. Such Centers shall be affiliated with any university, or other nonprofit institution, or group thereof, that applies for and is awarded a grant or enters into a cooperative agreement under this section. The objective of the Centers is to enhance technological innovation through—

(1) the participation of individuals from industry and universities in cooperative technological innovation activities;

(2) the development of the generic research base, important for technological advance and innovative activity, in which individual firms have little incentive to invest, but which may have significant economic or strategic importance, such as manufacturing technology;

(3) the education and training of individuals in the technological innovation process;

(4) the improvement of mechanisms for the dissemination of scientific, engineering, and technical information among universities and industry;

(2) the development of the generic research base, important for technological advance and innovative activity, in which individual firms have little incentive to invest, but which may have significant economic or strategic importance, such as manufacturing technology;

(3) the education and training of individuals in the technological innovation process;

(4) the improvement of mechanisms for the dissemination of scientific, engineering, and technical information among universities and industry;

(5) the utilization of the capability and expertise, where appropriate, that exists in Federal laboratories; and

(6) the development of continuing financial support from other mission agencies, from State and local government, and from industry and universities through, among other means, fees, licenses, and royalties.

(b) ACTIVITIES.—The activities of the Centers shall include, but need not be limited to—

(1) research supportive of technological and industrial innovation including cooperative industry-university basic and applied research;

(2) assistance to individuals and small businesses in the generation, evaluation and development of technological ideas supportive of industrial innovation and new business ventures;

(3) technical assistance and advisory services to industry, particularly small businesses; and

(4) curriculum development, training, and instruction in invention, entrepreneurship, and industrial innovation.

Each Center need not undertake all of the activities under this subsection.

(c) REQUIREMENTS.—Prior to establishing a Center, the Secretary shall find that—

(1) consideration has been given to the potential contribution of the activities proposed under the Center to productivity, employment, and economic competitiveness of the United States;

(2) a high likelihood exists of continuing participation, advice, financial support, and other contributions from the private sector;

(3) the host university or other nonprofit institution has a plan for the management and evaluation of the activities proposed within the particular Center, including:

(A) the agreement between the parties as to the allocation of patent rights on a nonexclusive, partially exclusive, or exclusive license basis to and inventions conceived or made under the auspices of the Center; and

(B) the consideration of means to place the Center, to the maximum extent feasible, on a self-sustaining basis;

(4) suitable consideration has been given to the university's or other nonprofit institution's capabilities and geographical location; and

(5) consideration has been given to any effects upon competition of the activities proposed under the Center.

(d) PLANNING GRANTS.—The Secretary is authorized to make available nonrenewable planning grants to universities or nonprofit institutions for the purpose of developing a plan required under subsection (c)(3).

Inventions, title acquisition.

(e) RESEARCH AND DEVELOPMENT UTILIZATION.—(1) To promote technological innovation and commercialization of research and development efforts, each Center has the option of acquiring title to any invention conceived or made under the auspices of the Center that was supported at least in part by Federal funds: *Provided*, That—

(A) the Center reports the invention to the supporting agency together with a list of each country in which the Center elects to file a patent application on the invention;

(B) said option shall be exercised at the time of disclosure of invention or within such time thereafter as may be provided in the grant or cooperative agreement;

any invention conceived or made under the auspices of the Center that was supported at least in part by Federal funds: *Provided*, That—

(A) the Center reports the invention to the supporting agency together with a list of each country in which the Center elects to file a patent application on the invention;

(B) said option shall be exercised at the time of disclosure of invention or within such time thereafter as may be provided in the grant or cooperative agreement;

(C) the Center intends to promote the commercialization of the invention and file a United States patent application;

(D) royalties be used for compensation of the inventor or for educational or research activities of the Center;

(E) the Center make periodic reports to the supporting agency, and the supporting agency may treat information contained in such reports as privileged and confidential technical, commercial, and financial information and not subject to disclosures under the Freedom of Information Act; and

(F) any Federal department or agency shall have the royalty-free right to practice, or have practiced on its behalf, the invention for governmental purposes.

The supporting agency shall have the right to acquire title to any patent on an invention in any country in which the Center elects not to file a patent application or fails to file within a reasonable time.

Supporting agency licensing rights.

(2) Where a Center has retained title to an invention under paragraph (1) of this subsection the supporting agency shall have the right to require the Center or its licensee to grant a nonexclusive, partially exclusive, or exclusive license to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, if the supporting agency determines, after public notice and opportunity for hearing, that such action is necessary—

(A) because the Center or licensee has not taken and is not expected to take timely and effective action to achieve practical application of the invention;

(B) to meet health, safety, environmental, or national security needs which are not reasonably satisfied by the contractor or licensee; or

(C) because the granting of exclusive rights in the invention has tended substantially to lessen competition or to result in undue market concentration in the United States in any line of commerce to which the technology relates.

U.S. Courts of Claims, petition.

(3) Any individual, partnership, corporation, association, institution, or other entity adversely affected by a supporting agency determination made under paragraph (2) of this subsection may, at any time within 60 days after the determination is issued, file a petition to the United States Court of Claims which shall have jurisdiction to determine that matter de novo and to affirm, reverse, or modify as appropriate, the determination of the supporting agency.

Antitrust laws.

(f) ADDITIONAL CONSIDERATION.—The supporting agency may request the Attorney General's opinion whether the proposed joint research activities of a Center would violate any of the antitrust laws. The Attorney General shall advise the supporting agency of his determination and the reasons for it within 120 days after receipt of such request.

SEC. 7. GRANTS AND COOPERATIVE AGREEMENTS.

15 USC 3706.

(a) IN GENERAL.—The Secretary may make grants and enter into cooperative agreements according to the provisions of this section in order to assist any activity consistent with this Act, including activities performed by individuals. The total amount of any such grant or cooperative agreement may not exceed 75 percent of the total cost of the program.

(b) ELIGIBILITY AND PROCEDURE.—Any person or institution may apply to the Secretary for a grant or cooperative agreement available under this section. Application shall be made in such form and manner, and with such content and other submissions, as the Direc-

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(b) ELIGIBILITY AND PROCEDURE.—Any person or institution may apply to the Secretary for a grant or cooperative agreement available under this section. Application shall be made in such form and manner, and with such content and other submissions, as the Direc-

tor shall prescribe. The Secretary shall act upon each such application within 90 days after the date on which all required information is received.

(c) TERMS AND CONDITIONS.—

(1) Any grant made, or cooperative agreement entered into, under this section shall be subject to the limitations and provisions set forth in paragraph (2) of this subsection, and to such other terms, conditions, and requirements as the Secretary deems necessary or appropriate.

(2) Any person who receives or utilizes any proceeds of any grant made or cooperative agreement entered into under this section shall keep such records as the Secretary shall by regulation prescribe as being necessary and appropriate to facilitate effective audit and evaluation, including records which fully disclose the amount and disposition by such recipient of such proceeds, the total cost of the program or project in connection with which such proceeds were used, and the amount, if any, of such costs which was provided through other sources.

15 USC 3707.

SEC. 8. NATIONAL SCIENCE FOUNDATION CENTERS FOR INDUSTRIAL TECHNOLOGY.

(a) ESTABLISHMENT AND PROVISIONS.—The National Science Foundation shall provide assistance for the establishment of Centers for Industrial Technology. Such Centers shall be affiliated with a university, or other nonprofit institution, or a group thereof. The objective of the Centers is to enhance technological innovation as provided in section 6(a) through the conduct of activities as provided in section 6(b). The provisions of sections 6(e) and 6(f) shall apply to Centers established under this section.

(b) PLANNING GRANTS.—The National Science Foundation is authorized to make available nonrenewable planning grants to universities or nonprofit institutions for the purpose of developing the plan, as described under section 6(c)(3).

(c) TERMS AND CONDITIONS.—Grants, contracts, and cooperative agreements entered into by the National Science Foundation in execution of the powers and duties of the National Science Foundation under this Act shall be governed by the National Science Foundation Act of 1950 and other pertinent Acts.

42 USC 1861 note.

15 USC 3708.

SEC. 9. ADMINISTRATIVE ARRANGEMENTS.

(a) COORDINATION.—The Secretary and the National Science Foundation shall, on a continuing basis, obtain the advice and cooperation of departments and agencies whose missions contribute to or are affected by the programs established under this Act, including the development of an agenda for research and policy experimentation. These departments and agencies shall include but not be limited to the Departments of Defense, Energy, Education, Health and Human Services, Housing and Urban Development, the Environmental Protection Agency, National Aeronautics and Space Administration, Small Business Administration, Council of Economic Advisers, Council on Environmental Quality, and Office of Science and Technology Policy.

(b) COOPERATION.—It is the sense of the Congress that departments and agencies, including the Federal laboratories, whose missions are affected by, or could contribute to, the programs established under this Act, should, within the limits of budgetary authorizations and appropriations, support or participate in activities or projects authorized by this Act.

Small Business Administration, Council of Economic Advisers, Council on Environmental Quality, and Office of Science and Technology Policy.

(b) COOPERATION.—It is the sense of the Congress that departments and agencies, including the Federal laboratories, whose missions are affected by, or could contribute to, the programs established under this Act, should, within the limits of budgetary authorizations and appropriations, support or participate in activities or projects authorized by this Act.

(c) ADMINISTRATIVE AUTHORIZATION.—

(1) Departments and agencies described in subsection (b) are authorized to participate in, contribute to, and serve as resources for the Centers and for any other activities authorized under this Act.

(2) The Secretary and the National Science Foundation are authorized to receive moneys and to receive other forms of assistance from other departments or agencies to support activities of the Centers and any other activities authorized under this Act.

(d) COOPERATIVE EFFORTS.—The Secretary and the National Science Foundation shall, on a continuing basis, provide each other the opportunity to comment on any proposed program of activity under section 6, 8, or 13 of this Act before funds are committed to such program in order to mount complementary efforts and avoid duplication.

SEC. 10. NATIONAL INDUSTRIAL TECHNOLOGY BOARD. 15 USC 3709.

(a) ESTABLISHMENT.—There shall be established a committee to be known as the National Industrial Technology Board.

(b) DUTIES.—The Board shall take such steps as may be necessary to review annually the activities of the Office and advise the Secretary and the Director with respect to—

(1) the formulation and conduct of activities under section 5 of this title;

(2) the designation and operation of Centers and their programs under section 6 of this Act including assistance in establishing priorities;

(3) the preparation of the report required under section 5(d); and

(4) such other matters as the Secretary or Director refers to the Board, including the establishment of Centers under section 8 of this Act, for review and advice.

The Director shall make available to the Board such information, personnel, and administrative services and assistance as it may reasonably require to carry out its duties. The National Science Foundation shall make available to the Board such information and assistance as it may reasonably require to carry out its duties.

(c) MEMBERSHIP, TERMS, AND POWERS.—

(1) The Board shall consist of 15 voting members who shall be appointed by the Secretary. The Director shall serve as a nonvoting member of the Board. The members of the Board shall be individuals who, by reason of knowledge, experience, or training are especially qualified in one or more of the disciplines and fields dealing with technology, labor, and industrial innovation or who are affected by technological innovation. The majority of the members of the Board shall be individuals from industry and business.

(2) The term of office of a voting member of the Board shall be 3 years, except that of the original appointees, five shall be appointed for a term of 1 year, five shall be appointed for a term of 2 years, and five shall be appointed for a term of 3 years.

(3) Any individual appointed to fill a vacancy occurring before the expiration of the term for which his or her predecessor was appointed shall be appointed only for the remainder of such term. No individual may be appointed as a voting member after serving more than two full terms as such a member.

business.

(2) The term of office of a voting member of the Board shall be 3 years, except that of the original appointees, five shall be appointed for a term of 1 year, five shall be appointed for a term of 2 years, and five shall be appointed for a term of 3 years.

(3) Any individual appointed to fill a vacancy occurring before the expiration of the term for which his or her predecessor was appointed shall be appointed only for the remainder of such term. No individual may be appointed as a voting member after serving more than two full terms as such a member.

(4) The Board shall select a voting member to serve as the Chairperson and another voting member to serve as the Vice Chairperson. The Vice Chairperson shall perform the functions of the Chairperson in the absence or incapacity of the Chairperson.

(5) Voting members of the Board may receive compensation at a daily rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code, when actually engaged in the performance of duties for such Board, and may be reimbursed for actual and reasonable expenses incurred in the performance of such duties.

45 FR 69201.

15 USC 3710.

SEC. 11. UTILIZATION OF FEDERAL TECHNOLOGY.

Technology transfer.

(a) POLICY.—It is the continuing responsibility of the Federal Government to ensure the full use of the results of the Nation's Federal investment in research and development. To this end the Federal Government shall strive where appropriate to transfer federally owned or originated technology to State and local governments and to the private sector.

(b) ESTABLISHMENT OF RESEARCH AND TECHNOLOGY APPLICATIONS OFFICES.—Each Federal laboratory shall establish an Office of Research and Technology Applications. Laboratories having existing organizational structures which perform the functions of this section may elect to combine the Office of Research and Technology Applications within the existing organization. The staffing and funding levels for these offices shall be determined between each Federal laboratory and the Federal agency operating or directing the laboratory, except that (1) each laboratory having a total annual budget exceeding $20,000,000 shall provide at least one professional individual full-time as staff for its Office of Research and Technology Applications, and (2) after September 30, 1981, each Federal agency which operates or directs one or more Federal laboratories shall make available not less than 0.5 percent of the agency's research and development budget to support the technology transfer function at the agency and at its laboratories, including support of the Offices of Research and Technology Applications. The agency head may waive the requirements set forth in (1) and/or (2) of this subsection. If the agency head waives either requirement (1) or (2), the agency head shall submit to Congress at the time the President submits the budget to Congress an explanation of the reasons for the waiver and alternate plans for conducting the technology transfer function at the agency.

Waiver.
Submittal to Congress.

(c) FUNCTIONS OF RESEARCH AND TECHNOLOGY APPLICATIONS OFFICES.—It shall be the function of each Office of Research and Technology Applications—

(1) to prepare an application assessment of each research and development project in which that laboratory is engaged which has potential for successful application in State or local government or in private industry;

(2) to provide and disseminate information on federally owned or originated products, processes, and services having potential application to State and local governments and to private industry;

(3) to cooperate with and assist the Center for the Utilization of Federal Technology and other organizations which link the research and development resources of that laboratory and the Federal Government as a whole to potential users in State and local government and private industry; and

ment or in private industry;

(2) to provide and disseminate information on federally owned or originated products, processes, and services having potential application to State and local governments and to private industry;

(3) to cooperate with and assist the Center for the Utilization of Federal Technology and other organizations which link the research and development resources of that laboratory and the Federal Government as a whole to potential users in State and local government and private industry; and

(4) to provide technical assistance in response to requests from State and local government officials.

Agencies which have established organizational structures outside their Federal laboratories which have as their principal purpose the transfer of federally owned or originated technology to State and local government and to the private sector may elect to perform the functions of this subsection in such organizational structures. No Office of Research and Technology Applications or other organizational structures performing the functions of this subsection shall substantially compete with similar services available in the private sector.

(d) CENTER FOR THE UTILIZATION OF FEDERAL TECHNOLOGY.—There is hereby established in the Department of Commerce a Center for the Utilization of Federal Technology. The Center for the Utilization of Federal Technology shall— Establishment.

(1) serve as a central clearinghouse for the collection, dissemination and transfer of information on federally owned or originated technologies having potential application to State and local governments and to private industry;

(2) coordinate the activities of the Offices of Research and Technology Applications of the Federal laboratories;

(3) utilize the expertise and services of the National Science Foundation and the existing Federal Laboratory Consortium for Technology Transfer; particularly in dealing with State and local governments;

(4) receive requests for technical assistance from State and local governments and refer these requests to the appropriate Federal laboratories;

(5) provide funding, at the discretion of the Secretary, for Federal laboratories to provide the assistance specified in subsection (c)(4); and

(6) use appropriate technology transfer mechanisms such as personnel exchanges and computer-based systems.

(e) AGENCY REPORTING.—Each Federal agency which operates or directs one or more Federal laboratories shall prepare biennially a report summarizing the activities performed by that agency and its Federal laboratories pursuant to the provisions of this section. The report shall be transmitted to the Center for the Utilization of Federal Technology by November 1 of each year in which it is due.

SEC. 12. NATIONAL TECHNOLOGY MEDAL. 15 USC 3711.

(a) ESTABLISHMENT.—There is hereby established a National Technology Medal, which shall be of such design and materials and bear such inscriptions as the President, on the basis of recommendations submitted by the Office of Science and Technology Policy, may prescribe.

(b) AWARD.—The President shall periodically award the medal, on the basis of recommendations received from the Secretary or on the basis of such other information and evidence as he deems appropriate, to individuals or companies, which in his judgment are deserving of special recognition by reason of their outstanding contributions to the promotion of technology or technological manpower for the improvement of the economic, environmental, or social well-being of the United States.

(c) PRESENTATION.—The presentation of the award shall be made by the President with such ceremonies as he may deem proper.

[illegible] information and evidence as he deems appropriate, to individuals or companies, which in his judgment are deserving of special recognition by reason of their outstanding contributions to the promotion of technology or technological manpower for the improvement of the economic, environmental, or social well-being of the United States.

(c) PRESENTATION.—The presentation of the award shall be made by the President with such ceremonies as he may deem proper.

15 USC 3712.

SEC. 13. PERSONNEL EXCHANGES.

The Secretary and the National Science Foundation, jointly, shall establish a program to foster the exchange of scientific and technical personnel among academia, industry, and Federal laboratories. Such program shall include both (1) federally supported exchanges and (2) efforts to stimulate exchanges without Federal funding.

15 USC 3713.

SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

(a) There is authorized to be appropriated to the Secretary for purposes of carrying out section 6, not to exceed $19,000,000 for the fiscal year ending September 30, 1981, $40,000,000 for the fiscal year ending September 30, 1982, $50,000,000 for the fiscal year ending September 30, 1983, and $60,000,000 for each of the fiscal years ending September 30, 1984, and 1985.

(b) In addition to authorizations of appropriations under subsection (a), there is authorized to be appropriated to the Secretary for purposes of carrying out the provisions of this Act, not to exceed $5,000,000 for the fiscal year ending September 30, 1981, $9,000,000 for the fiscal year ending September 30, 1982, and $14,000,000 for each of the fiscal years ending September 30, 1983, 1984, and 1985.

(c) Such sums as may be appropriated under subsections (a) and (b) shall remain available until expended.

(d) To enable the National Science Foundation to carry out its powers and duties under this Act only such sums may be appropriated as the Congress may authorize by law.

15 USC 3714.

SEC. 15. SPENDING AUTHORITY.

No payments shall be made or contracts shall be entered into pursuant to this Act except to such extent or in such amounts as are provided in advance in appropriation Acts.

Approved October 21, 1980.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 96-1199 (Comm. on Science and Technology).
SENATE REPORT No. 96-781 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD, Vol. 126 (1980):
May 28, considered and passed Senate.
Sept. 8, considered and passed House, amended.
Sept. 26, Senate concurred in certain House amendments, disagreed to others, and concurred in remainder with amendments.
Oct. 1, House receded from its amendments and concurred in Senate amendments.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 16, No. 43:
Oct. 21, Presidential statement.

○

SENATE REPORT No. 96-781 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD, Vol. 126 (1980):
May 28, considered and passed Senate.
Sept. 8, considered and passed House, amended.
Sept. 26, Senate concurred in certain House amendments, disagreed to others, and concurred in remainder with amendments.
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Oct. 21, Presidential statement.

○

federal register

Friday
October 10, 1997

Part III

Department of Commerce

Patent and Trademark Office

37 CFR Part 1, et al.
Changes to Patent Practice and Procedure; Final Rule

federal register

53131

DEPARTMENT OF COMMERCE

Patent and Trademark Office

37 CFR Parts 1, 3, 5, 7, and 10

[Docket No. : 960606163–7130–02]

RIN 0651–AA80

Changes to Patent Practice and Procedure

AGENCY: Patent and Trademark Office, Commerce.

ACTION: Final rule.

SUMMARY: The Patent and Trademark Office (Office) is amending the rules of practice to simplify the requirements of the rules, rearrange portions of the rules for better context, and eliminate unnecessary rules or portions thereof as part of a government-wide effort to reduce the regulatory burden on the American public. Exemplary changes include: simplification of the procedure for filing continuation and divisional applications; amendment of a number of rules to permit the filing of a statement that errors were made without deceptive intent, without a requirement for a further showing of facts and circumstances; and elimination of the requirement that the inventorship be named in an application on the day of its filing, which eliminates the need for certain petitions to correct inventorship.

EFFECTIVE DATE: December 1, 1997.

FOR FURTHER INFORMATION CONTACT: Hiram H. Bernstein or Robert W. Bahr, Senior Legal Advisors, by telephone at (703) 305–9285, or by mail addressed to: Box Comments— Patents, Assistant Commissioner for Patents, Washington, DC 20231 marked to the attention of Mr. Bernstein or by facsimile to (703) 308–6916.

SUPPLEMENTARY INFORMATION: This rule change implements the Administration's program of reducing the regulatory burden on the American public in accordance with the changes proposed in the Notice of Proposed Rulemaking entitled "1996 Changes to Patent Practice and Procedure" (Notice of Proposed Rulemaking), published in the **Federal Register** at 61 FR 49819 (September 23, 1996), and in the *Official Gazette* at 1191 *Off. Gaz. Pat. Office* 105 (October 22, 1996). The changes involve: (1) simplification of procedures for filing continuation and divisional applications, establishing lack of deceptive intent in reissues, petition practice, and in the filing of papers correcting improperly requested small entity status; (2) elimination of unnecessary requirements, such as certain types of petitions to correct inventorship under § 1.48; (3) removal of rules and portions thereof that merely represent instructions as to the internal management of the Office more appropriate for inclusion in the Manual of Patent Examining Procedure (MPEP); (4) rearrangement of portions of rules to improve their context; and (5) clarification of rules to aid in understanding of the requirements that they set forth.

Changes to Proposed Rules: This Final Rule contains a number of changes to the text of the rules as proposed for comment. The significant changes (as opposed to additional grammatical corrections) are discussed below. Familiarity with the Notice of Proposed Rulemaking is assumed.

Discussion of Specific Rules and Response to Comments: Forty-three written comments were received in response to the Notice of Proposed Rulemaking. The written comments have been analyzed. For contextual purposes, the comment on a specific rule and response to the comment are provided with the discussion of the specific rule. Comments in support of proposed rule changes generally have not been reported in the responses to comments sections.

Title 37 of the Code of Federal Regulations, Parts 1, 3, 5, 7, and 10 are amended as follows:

Part 1

Section 1.4

Section 1.4, paragraphs (d)(1) and (2), are amended to be combined into § 1.4 paragraphs (d)(1)(i) and (d)(1)(ii). Section 1.4(d)(1)(ii) is also amended to include the phrase "direct or indirect copy" to clarify that the copy of the document(s) constituting the correspondence submitted to the Office may be a copy of a copy (of any generation) of the original document(s), or a direct copy of the original document(s).

Section 1.4(d)(2) is amended to provide that the presentation to the Office (whether by signing, filing, submitting, or later advocating) of any paper by a party, whether a practitioner or non-practitioner, constitutes a certification under § 10.18(b), and that violations of § 10.18(b)(2) may subject the party to sanctions under § 10.18(c). That is, by presenting a paper to the Office, the party is making the certifications set forth in § 10.18(b), and is subject to sanctions under § 10.18(c) for violations of § 10.18(b)(2), regardless of whether the party is a practitioner or non-practitioner. The sentence "[a]ny practitioner violating § 10.18(b) may also be subject to disciplinary action" clarifies that a practitioner may be subject to disciplinary action in lieu of or in addition to sanctions under § 10.18(c) for violations of § 10.18(b).

Section 1.4(d)(2) is amended so that the certifications set forth in § 10.18(b) are automatically made upon presenting any paper to the Office by the party presenting the paper. The amendments to §§ 1.4(d) and 10.18 support the amendments to §§ 1.6, 1.8, 1.10, 1.27, 1.28, 1.48, 1.52, 1.55, 1.69, 1.102, 1.125, 1.137, 1.377, 1.378, 1.804, 1.805, (§§ 1.821 and 1.825 will be reviewed at a later date in connection with other matters), 3.26, and 5.4 that delete the requirement for verification (MPEP 602) of statements of facts by applicants and other parties who are not registered to practice before the Office. The absence of a required verification has been a source of delay in the prosecution of applications, particularly where such absence is the only defect noted. The change to §§ 1.4(d) and 10.18 automatically incorporates required averments thereby eliminating the necessity for a separate verification for each statement of facts that is to be presented, except for those instances where the verification requirement is retained. Similarly, the amendments to §§ 1.4(d) and 10.18 support an amendment to § 1.97 (§§ 1.637 and 1.673 will be reviewed at a later date in connection with other matters) that changes the requirements for certifications to requirements for statements. This change in practice does *not* affect the separate verification requirement for an oath or declaration under § 1.63, affidavits or declarations under §§ 1.130, 1.131, and 1.132, or statements submitted in support of a petition under § 5.25 for a retroactive license. The statements in §§ 1.494(e) and 1.495(f) that verification of translations of documents filed in a language other than English may be required is also maintained, as such requirements are made rarely and only when deemed necessary (*e.g.*, when persons persist in translations which appear on their face to be inaccurate). The requirements for certification of service on parties in §§ 1.248, 1.510, 1.637 and 10.142 are also maintained.

Section 1.4 is also amended to add a new paragraph (g) related to an applicant who has not made of record a registered attorney or agent being required to state whether assistance was received in the preparation or prosecution of a patent application. This is transferred from § 1.33(b) for consistent contextual purposes.

(September 23, 1996), and in the *Official Gazette* at 1191 *Off. Gaz. Pat. Office* 105 (October 22, 1996). The changes involve: (1) simplification of procedures for filing continuation and divisional applications, establishing lack of deceptive intent in reissues, petition practice, and in the filing of papers correcting improperly requested small entity status; (2) elimination of unnecessary requirements, such as certain types of petitions to correct certification under § 10.18(b), and that violations of § 10.18(b)(2) may subject the party to sanctions under § 10.18(c). That is, by presenting a paper to the Office, the party is making the certifications set forth in § 10.18(b), and is subject to sanctions under § 10.18(c) for violations of § 10.18(b)(2), regardless of whether the party is a practitioner or non-practitioner. The sentence "[a]ny practitioner violating § 10.18(b) may also be subject to disciplinary action"

The requirements for certification of service on parties in §§ 1.248, 1.510, 1.637 and 10.142 are also maintained.

Section 1.4 is also amended to add a new paragraph (g) related to an applicant who has not made of record a registered attorney or agent being required to state whether assistance was received in the preparation or prosecution of a patent application. This is transferred from § 1.33(b) for consistent contextual purposes.

Section 1.6

Section 1.6(d)(3) is amended to provide that continued prosecution applications under § 1.53(d) may be transmitted to the Office by facsimile. However, the procedures described in § 1.8 do not apply to, and no benefit under § 1.8 will be given to, a continued prosecution application under § 1.53(d). That is, an applicant may file a continued prosecution application by facsimile transmission, but the filing date accorded such continued prosecution application will be the date the complete transmission of the continued prosecution application is received in the Office. For example, a continued prosecution application transmitted by facsimile from California at 10:30 p.m. (Pacific time) on November 18, 1997, and received in the Office at 1:30 a.m. (Eastern time) on November 19, 1997, will be accorded a filing date of November 19, 1997. An applicant filing a continued prosecution application by facsimile transmission bears the responsibility of transmitting such application in a manner and at a time that will ensure its complete and timely (§ 1.53(d)(1)(ii)) receipt in the Office.

An applicant filing an application under § 1.53(d) (a continued prosecution application) by facsimile must include an authorization to charge (at least) the basic filing fee to a deposit account, or the application must be treated under § 1.53(f) as having been filed without the basic filing fee (as fees cannot otherwise be transmitted by facsimile). To avoid paying the late filing surcharge under § 1.16(e), an application (including an application under § 1.53(d)) must include the basic filing fee (§ 1.16(e)). As such, payment of the basic filing fee for an application under § 1.53(d) on any date later than the filing date of the application under § 1.53(d) (even if paid within the period for reply to the last action in the prior application) is ineffective to avoid the late filing surcharge under § 1.16(e). Therefore, unless an application under § 1.53(d) filed by facsimile includes an authorization to charge the basic filing fee to a deposit account, the applicant will be given a notification requiring payment of the appropriate filing fee (§ 1.53(d)(3)) and the late filing surcharge under § 1.16(e) to avoid abandonment of the § 1.53(d) application.

Section 1.6(d)(3) is also amended to delete the reference to § 1.8(a)(2)(ii)(D) as this paragraph was deleted in the Final Rule entitled "Communications with the Patent and Trademark Office" ("Communications with the Office"), published in the **Federal Register** at 61 FR 56439, 56443 (November 1, 1996), and in the *Official Gazette* at 1192 *Off. Gaz. Pat. Office* 95 (November 26, 1996).

Section 1.6(d)(6) is amended to reflect the transfer of material from §§ 5.6, 5.7, and 5.8 to §§ 5.1 through 5.5.

Section 1.6(e)(2) is amended to remove the requirement that the statement be verified in accordance with the change to §§ 1.4(d)(2) and 10.18.

Section 1.6(f) is added to provide for the situation in which the Office has no evidence of receipt of an application under § 1.53(d) (a continued prosecution application) transmitted to the Office by facsimile transmission. Section 1.6(f) requires that a showing thereunder include, *inter alia*, a copy of the sending unit's report confirming transmission of the application under § 1.53(d) or evidence that came into being after the complete transmission of the application under § 1.53(d) and within one business day of the complete transmission of the application under § 1.53(d). Therefore, applicants are advised to retain copies of the sending unit's reports in situations in which such unit is used to transmit applications under § 1.53(d) to the Office or otherwise maintain a log book of the transmission of any application under § 1.53(d) to the Office. *See also* "Communications with the Patent and Trademark Office" Final Rule.

No comments were received regarding the proposed change to § 1.6.

Section 1.8

Section 1.8(a)(2)(i)(A) is amended to specifically refer to a request for a continued prosecution application under § 1.53(d) as a correspondence filed for the purposes of obtaining an application filing date, which is excluded by § 1.8(a)(2)(i)(A) from the procedure set forth in § 1.8. The purpose of this amendment is to render it clear that, notwithstanding that a continued prosecution application under § 1.53(d) may be filed by facsimile transmission, the procedure set forth in § 1.8 does not apply to a request for a continued prosecution application under § 1.53(d) (or any correspondence filed for the purpose of obtaining an application filing date). That is, the date on the certificate of transmission (§ 1.8(a)) of an application under § 1.53(d) is not controlling (or even relevant), in that an application under § 1.53(d) (a continued prosecution application) filed by facsimile transmission will not be accorded a filing date as of the date on the certificate of transmission (§ 1.8(a)), unless Office records indicate, or applicant otherwise establishes pursuant to § 1.6(f), receipt in the Office of the complete application under § 1.53(d) on the date on the certificate of transmission, and that date is not a Saturday, Sunday, or Federal holiday.

Section 1.8(b)(3) is amended to remove the requirement that the statement be verified in accordance with the change to §§ 1.4(d)(2) and 10.18.

Section 1.9

Section 1.9(d) is amended to define a small business concern as used in 37 CFR Chapter I as any business concern meeting the size standards set forth in 13 CFR Part 121 to be eligible for reduced patent fees. The regulations of the Small Business Administration (SBA) set forth the size standards of a business concern to be eligible for reduced patent fees. *See* 13 CFR 121.802. Thus, the language in § 1.9(d) duplicating such size standards is deleted as redundant, and to avoid confusion in the event that such size standards are subsequently changed by the SBA. The MPEP will include SBA's regulations concerning size standards for a business concern to be eligible for reduced patent fees.

Section 1.9(f) is amended to add the phrase "eligible for reduced patent fees" to clarify that a small entity as used in 37 CFR Chapter I is limited to an independent inventor, a small business concern or a non-profit organization that is eligible for reduced patent fees under 35 U.S.C. 41(h)(1).

Section 1.10

Sections 1.10 (d) and (e) are amended to remove the requirement for a statement that is verified.

Comment 1: One comment suggested that § 1.10 be amended to clearly set forth the controlling date for correspondence filed by "Express Mail" under § 1.10.

Response: Section 1.10 was substantially amended in the "Communications with the Office" Rule Final (discussed *supra*). Section 1.10(a) as amended in the aforementioned Final Rule provides that: (1) correspondence received by the Office that was delivered by the "Express Mail Post Office to Addressee" service of the United States Postal Service (USPS) under § 1.10 will be considered filed in the Office on the date of deposit with the USPS; (2) the date of deposit with the USPS is shown by the "date-in" on the "Express Mail" mailing label or other official USPS notation; and (3) if the USPS deposit date cannot be determined, the correspondence will be accorded the Office receipt date as the filing date.

will be given a notification requiring payment of the appropriate filing fee (§ 1.53(d)(3)) and the late filing surcharge under § 1.16(e) to avoid abandonment of the § 1.53(d) application.

Section 1.6(d)(3) is also amended to delete the reference to § 1.8(a)(2)(ii)(D) as this paragraph was deleted in the Final Rule entitled "Communications with the Patent and Trademark Office" ("Communications with the Office"), filing date). That is, the date on the certificate of transmission (§ 1.8(a)) of an application under § 1.53(d) is not controlling (or even relevant), in that an application under § 1.53(d) (a continued prosecution application) filed by facsimile transmission will not be accorded a filing date as of the date on the certificate of transmission (§ 1.8(a)), unless Office records indicate, or applicant otherwise establishes pursuant to § 1.6(f), receipt in the Office Office to Addressee" service of the United States Postal Service (USPS) under § 1.10 will be considered filed in the Office on the date of deposit with the USPS; (2) the date of deposit with the USPS is shown by the "date-in" on the "Express Mail" mailing label or other official USPS notation; and (3) if the USPS deposit date cannot be determined, the correspondence will be accorded the Office receipt date as the filing date.

Section 1.11

Section 1.11(b) is amended to provide that the filing of a continued prosecution application under § 1.53(d) of a reissue application will not be announced in the *Official Gazette*. Although the filing of a continued prosecution application of a reissue application constitutes the filing of a reissue application, the announcement of the filing of such continued prosecution application would be redundant in view of the announcement of the filing of the prior reissue application in the *Official Gazette*.

Section 1.14

Section 1.14(a) is amended to: (1) clarify the provisions of § 1.14(a); (2) provide that copies of an application-as-filed may be provided to any person on written request accompanied by the fee set forth in § 1.19(b), without notice to the applicant, if the application is incorporated by reference in a U.S. patent; and (3) treat applications in the file jacket of a pending application under § 1.53(d) as pending rather than abandoned in determining whether copies of, and access to, such applications will be granted.

Under current practice, the public is entitled to access to the original disclosure (or application-as-filed) of an application, when the application is incorporated by reference into a U.S. patent. *See In re Gallo*, 231 USPQ 496 (Comm'r Pat. 1986). Section 1.14(a)(2) is added to avoid the need for a petition under § 1.14(e) to obtain a copy of the original disclosure (or application-as-filed) of an application that is incorporated by reference into a U.S. patent.

Section 1.14 is also amended to add a paragraph (f) to recognize the change to § 1.47 (a) and (b) which add exceptions to maintaining pending applications in confidence by providing public notice to nonsigning inventors of the filing of a patent application.

Comment 2: One comment stated that the change from "applications preserved in secrecy" to "applications preserved in confidence" suggests a lower level of security for the applications permitting greater discovery by third parties.

Response: The term "secrecy" in § 1.14 was changed to "confidence" in the Final Rule entitled "Miscellaneous Changes in Patent Practice" ("Miscellaneous Changes in Patent Practice"), published in the **Federal Register** at 61 FR 42790 (August 19, 1996), and in the *Official Gazette* at 1190 *Off. Gaz. Pat. Office* 67 (September 17, 1996). This change did not represent a change in practice, but merely conformed the language of § 1.14 to that of 35 U.S.C. 122 (the term "secrecy" is a term of art in regard to matters of national security, and its former use in § 1.14 was inappropriate).

Section 1.16

Section 1.16 is amended to add new paragraphs (m) and (n) including the unassociated text following paragraphs (d) and (l).

No comments were received concerning § 1.16.

Section 1.17

Section 1.17 (and § 1.136(a)) adds a recitation to an extension of time fee payment for a reply filed within a fifth month after a nonstatutory or shortened statutory period for reply was set.

Section 1.17(a) is subdivided into paragraphs (a)(1) through (a)(5), with paragraphs (a)(1) through (a)(4) setting forth the amounts for one-month through four-month extension fees. Section 1.17(a)(5) provides the small entity and other than small entity amounts for the new fifth-month extension fee.

Section 1.17(a) is being amended to permit a petition for a fifth-month extension of time. As the Office may set a shortened statutory period for reply of one-month or thirty days, whichever is longer, this authority for a petition under § 1.136(a) will permit an applicant to extend the period for reply until the six-month statutory maximum (35 U.S.C. 133) without resorting to a petition under § 1.136(b), or to extend by five months, pursuant to § 1.136(a), a non-statutory period for taking action (*e.g.*, the time period in § 1.192(a) for filing an appeal brief).

Section 1.17 paragraphs (e), (f), and (g) are rewritten as § 1.17 paragraphs (b), (c), and (d).

Section 1.17(h) is amended to delete references to petitions under §§ 1.47, 1.48, and 1.84. Sections 1.47, 1.48, and 1.84 (a) and (b) are amended to contain a reference to the petition fee set forth in § 1.17(i), rather than the petition fee set forth in § 1.17(h).

Section 1.17(i) is amended to: (1) add a petition under § 1.41 to supply the name(s) of the inventor(s) after the filing date without an oath or declaration as prescribed by § 1.63, except in provisional applications; (2) add a petition under § 1.47 for filing by other than all the inventors or a person not the inventor; (3) add a petition under § 1.48 for correction of inventorship, except in provisional applications; (4) add a petition under § 1.59 for expungement and return of information; (5) delete the references to petitions under §§ 1.60 and 1.62 in view of the deletion of §§ 1.60 and 1.62; (6) add a petition under § 1.84 for accepting color drawings or photographs; and (7) add a petition under § 1.91 for entry of a model or exhibit.

Section 1.17(q) is amended to add a petition under § 1.41 to supply the name(s) of the inventor(s) after the filing date without a cover sheet as prescribed by § 1.51(c)(1) in a provisional application.

Section 1.17, as well as §§ 1.103, 1.112, 1.113, 1.133, 1.134, 1.135, 1.136, 1.142, 1.144, 1.146, 1.191, 1.192, 1.291, 1.294, 1.484, 1.485, 1.488, 1.494, 1.495, (§§ 1.530, 1.550, 1.560, 1.605, 1.617, 1.640, and 1.652 will be reviewed at a later date in connection with other matters), 1.770, 1.785, (§ 1.821 will be reviewed at a later date in connection with other matters), and 5.3 are also amended to replace the phrases "response" and "respond" with the phrase "reply" for consistency with § 1.111.

Comment 3: One comment questioned why the terms "respond" and "response" in the rules of practice were being replaced with the term "reply."

Response: It is appropriate to use a single term ("reply") throughout the rules of practice, to the extent possible, to refer to that "reply" by an applicant to an Office action required to avoid abandonment and continue prosecution.

Comment 4: At least one comment noted that there is no statutory authority under 35 U.S.C. 41(a)(8)(C) for the $2,010 amount set for the fifth month extension of time.

Response: While the Notice of Proposed Rulemaking proposed a fifth month extension fee of $2010, a Notice of Proposed Rulemaking entitled "Revision of Patent and Trademark Fees for Fiscal Year 1998" ("1998 Fee Revision"), published in the **Federal Register** at 62 FR 24865 (May 7, 1997), and in the *Official Gazette* at 1198 *Off. Gaz. Pat. Office* 97 (May 27, 1997), proposed that this fee be set at $2060. The Office is now adopting the $2060 fifth month extension fee as proposed in the "1998 Fee Revision" Notice of Proposed Rulemaking.

Under 35 U.S.C. 41(a)(8)(C) (1991), the Commissioner is authorized to charge $340 for any third or subsequent petition for a one-month extension of time. However, under 35 U.S.C. 41(f), the additional fee established pursuant to 35 U.S.C. 41(a)(8)(C) for a subsequent petition for a one-month extension of time has been increased to $560 (*i.e.*, $560 is the current difference (established under 35 U.S.C. 41(a)(8)(C)) between the $1510 fee for a four-month extension of time and the $950 three-month extension of time). The $1510 fee

greater discovery by third parties.

Response: The term "secrecy" in § 1.14 was changed to "confidence" in the Final Rule entitled "Miscellaneous Changes in Patent Practice" ("Miscellaneous Changes in Patent Practice"), published in the **Federal Register** at 61 FR 42790 (August 19, 1996), and in the *Official Gazette* at 1190 *Off. Gaz. Pat. Office* 67 (September 17, 1996). This change did not represent a change in practice, but merely

date without an oath or declaration as prescribed by § 1.63, except in provisional applications; (2) add a petition under § 1.47 for filing by other than all the inventors or a person not the inventor; (3) add a petition under § 1.48 for correction of inventorship, except in provisional applications; (4) add a petition under § 1.59 for expungement and return of information; (5) delete the references to petitions under §§ 1.60 and 1.62 in view of the

charge $340 for any third or subsequent petition for a one-month extension of time. However, under 35 U.S.C. 41(f), the additional fee established pursuant to 35 U.S.C. 41(a)(8)(C) for a subsequent petition for a one-month extension of time has been increased to $560 (*i.e.*, $560 is the current difference (established under 35 U.S.C. 41(a)(8)(C)) between the $1510 fee for a four-month extension of time and the $950 three-month extension of time). The $1510 fee

for a four-month extension of time plus the $560 fee for an additional month is $2070 (this differs from the $2060 fee proposed in the "1998 Fee Revision" Notice of Proposed Rulemaking due to rounding). Therefore, the Office is authorized under 35 U.S.C. 41(a)(8) to establish a fee of $2060 for a five-month extension of time.

Section 1.21

Section 1.21(l) is amended for consistency with § 1.53, and § 1.21(n) is amended to change the reference to an improper application under §§ 1.60 or 1.62 to a reference to an application in which proceedings are terminated pursuant to § 1.53(e).

No comments were received regarding the proposed change to § 1.21.

Section 1.26

Section 1.26(a) is amended to better track the statutory language of 35 U.S.C. 42(d) and to add back language relating to refunds of fees paid that were not "required" that was inadvertently dropped in the July 1, 1993, publication of title 37 CFR, and from subsequent publications.

No comments were received regarding the proposed change to § 1.26.

Section 1.27

Section 1.27 paragraphs (a) through (d) are amended to remove the requirement that a statement filed thereunder be "verified," and to replace "aver" and "averring" with "state" and "stating." See comments relating to § 1.4(d). Section 1.27(b) is also amended for clarification with the movement of a clause relating to "any verified statement" within a sentence.

No comments were received regarding the proposed change to § 1.27.

Section 1.28

Section 1.28(a) is amended to remove the requirement for a statement that is "verified." See comments relating to § 1.4(d).

Section 1.28(a) is also amended to provide that a new small entity statement is not required for a continuing or reissue application where small entity status is still proper and reliance is placed on a reference to a small entity statement filed in a prior application or patent or a copy thereof is supplied. Section 1.28(a) is further amended to state that the payment of a small entity basic statutory filing fee in a nonprovisional application, which claims benefit under 35 U.S.C. 119(e), 120, 121, or 365(c) of a prior application (including a continued prosecution application) or in a reissue application, where the prior application or the patent has small entity status, will constitute a reference in the continuing or reissue application to the small entity statement in the prior application or in the patent, thereby establishing small entity status in such a nonprovisional application.

Section 1.28(a) is also amended to require a new determination of continued entitlement to small entity status for continued prosecution applications filed under § 1.53(d) and to clarify that the refiling of applications as continuations, divisions and continuation-in-part applications and the filing of reissue applications also require a new determination of continued entitlement to small entity status prior to reliance on small entity status in a prior application or patent.

Comment 5: One comment asked whether the change to § 1.28 regarding small entity requires that a small entity statement be filed with each continuing application.

Response: While the filing of a continuing application requires a new determination of entitlement to small entity status, § 1.28(a) continues to permit reliance on a small entity statement filed in a prior application for nonprovisional continuing applications.

Section 1.28(c) is amended to remove the requirement for a statement of facts explaining how an error in payment of a small entity fee(s) occurred in good faith and how and when the error was discovered. A fee deficiency payment under § 1.28(c) must include the difference between fee(s) originally paid as a small entity and the other than small entity fee(s) in effect at the time of payment of the complete fee deficiency. A fee deficiency payment under § 1.28(c) will be treated as a representation by the party submitting the payment that small entity status was established in good faith and that the original payment of small entity fees was made in good faith. Any paper submitted under § 1.28(c) will be placed in the appropriate file without review after the processing of any check or the charging of any fee deficiency payment specifically authorized.

Comment 6: One comment suggested that § 1.28(c) be amended to clarify current Office practice regarding the acceptance of papers under § 1.28(c)(2) in light of two recent District Court decisions: (1) *Haden Schweitzer Corp.* v. *Arthur B. Myr Industries, Inc.*, 901 F. Supp. 1235, 36 USPQ2d 1020 (E.D. Mich. 1995); and (2) *DH Technology, Inc.* v. *Synergstex International, Inc.*, 937 F. Supp. 902, 40 USPQ2d 1754 (N.D. Cal. 1996).

Response: The Office is also aware of a recent District Court decision in *Jewish Hospital of St. Louis* v. *Idexx Laboratories*, 951 F. Supp 1, 42 USPQ2d 1720 (D. Me. 1996), that relies on § 1.28(c)(2) exclusively. The changes to § 1.28(c) are not directed to the issue of whether § 1.28(c)(2) must be viewed as the exclusive remedy. Nevertheless, an applicant or patentee can avoid undesirable results by not claiming small entity status unless it is absolutely certain that the applicant or patentee is entitled to small entity status (*i.e.*, resolving any doubt, uncertainty, or lack of information in favor of payment of the full fee). See MPEP 509.03 ("Small entity status must not be established unless the person or persons signing the * * * statement can *unequivocally* make the required self-certification" (emphasis added)).

Section 1.33

Section 1.33 is amended to no longer provide that the required residence and post office address of the applicant can appear elsewhere than in the oath or declaration under § 1.63. Section 1.63(a)(3) is amended to require that the post office address as well as the residence be identified therein and not elsewhere. Permitting the residence to be elsewhere in the application other than the oath or declaration, as was in § 1.33(a), would be inconsistent with unamended § 1.63(c) that states that the residence must appear in the oath or declaration. The requirement for placement of the post office address is equivalent to the requirement for the residence to eliminate confusion between the two, which often are the same destination and are usually provided in the oath or declaration. The reference in § 1.33(a) to the assignee providing a correspondence address has been moved within § 1.33(a) for clarification. Other clarifying language includes a reference to § 1.34(b), use of the terms "provided," "furnished" rather than "notified," and "application" rather than "case," and deletion of the expression "of which the Office."

The former language of § 1.33(b) is transferred to new § 1.4(g). Section 1.33(b) is amended to set forth the signature requirement for papers filed in an application (formerly in § 1.33(a)). Section 1.33(b) is specifically amended to provide that amendments and other papers filed in an application must be signed by: (1) an attorney or agent of record appointed in compliance with § 1.34(b); (2) a registered attorney or agent not of record who acts in a representative capacity under the provisions of § 1.34(a); (3) the assignee of record of the entire interest (if there is such); (4) an assignee of record of an

reliance is placed on a reference to a small entity statement filed in a prior application or patent or a copy thereof is supplied. Section 1.28(a) is further amended to state that the payment of a small entity basic statutory filing fee in a nonprovisional application, which claims benefit under 35 U.S.C. 119(e), 120, 121, or 365(c) of a prior application (including a continued prosecution application) or in a reissue application, where the prior application or the

current Office practice regarding the acceptance of papers under § 1.28(c)(2) in light of two recent District Court decisions: (1) *Haden Schweitzer Corp.* v. *Arthur B. Myr Industries, Inc.*, 901 F. Supp. 1235, 36 USPQ2d 1020 (E.D. Mich. 1995); and (2) *DH Technology, Inc.* v. *Synergstex International, Inc.*, 937 F. Supp. 902, 40 USPQ2d 1754 (N.D. Cal. 1996).

Response: The Office is also aware of a recent District Court decision in

an application (formerly in § 1.33(a)). Section 1.33(b) is specifically amended to provide that amendments and other papers filed in an application must be signed by: (1) an attorney or agent of record appointed in compliance with § 1.34(b); (2) a registered attorney or agent not of record who acts in a representative capacity under the provisions of § 1.34(a); (3) the assignee of record of the entire interest (if there is such); (4) an assignee of record of an

undivided part interest (if there is such), so long as the amendment or other paper is also signed by any assignee(s) of the remaining interest and any applicant retaining an interest; or (5) all of the applicants, including applicants under §§ 1.42, 1.43 and 1.47, unless there is an assignee of record of the entire interest and such assignee has chosen to prosecute the application to the exclusion of the applicant(s), and, as such, has taken action in the application in accordance with §§ 3.71 and 3.73. This is not a change in practice, but simply a clarification of current signature requirements.

No comments were received regarding the proposed change to § 1.33.

Section 1.41

Section 1.41(a) (and § 1.53) is amended to no longer require that a patent be applied for in the name of the actual inventors for an application for patent to be accorded a filing date. The requirement for use of full names is moved to § 1.63(a) for better context. Section 1.41(a) is specifically amended: (1) To provide that a patent is applied for in the name(s) of the actual inventor(s); (2) to add paragraphs (a)(1) and (a)(2) indicating how the inventorship is set forth in a nonprovisional and provisional application; and (3) to add paragraph (a)(3) indicating the need for an identifier consisting of alphanumeric characters if no name of an actual inventor is provided.

Section 1.41(a)(1) provides that the inventorship of a nonprovisional application is that inventorship set forth in the oath or declaration as prescribed by § 1.63, except as provided for in §§ 1.53(d)(4) and 1.63(d). Section 1.41(a)(1) also provides that if an oath or declaration as prescribed by § 1.63 is not filed during the pendency of a nonprovisional application, the inventorship is that inventorship set forth in the application papers filed pursuant to § 1.53(b), unless a petition under this paragraph accompanied by the fee set forth in § 1.17(i) is filed supplying the name(s) of the inventor(s).

Section 1.41(a)(2) provides that the inventorship of a provisional application is that inventorship set forth in the cover sheet as prescribed by § 1.51(c)(1). Section 1.41(a)(2) also provides that if a cover sheet as prescribed by § 1.51(c)(1) is not filed during the pendency of a provisional application, the inventorship is that inventorship set forth in the application papers filed pursuant to § 1.53(c), unless a petition under this paragraph accompanied by the fee set forth in § 1.17(q) is filed supplying the name(s) of the inventor(s).

35 U.S.C. 120 and § 1.78(a) require, *inter alia*, that an application have at least one inventor in common with a prior application to obtain the benefit of the filing date of such application. Considering the executed oath or declaration (or cover sheet in a provisional application) the sole mechanism for naming the inventor(s) would operate as a trap in the event that an application were abandoned prior to the filing of an oath or declaration in favor of a continuing application (or in the event that a cover sheet was not filed in a provisional application). To avoid this result, § 1.41 as adopted provides that the inventorship is that inventorship named in an executed oath or declaration under § 1.63 (or in the cover sheet under § 1.51(c)(1) in a provisional application), but that if no executed oath or declaration under § 1.63 (or cover sheet under § 1.51(c)(1) in a provisional application) is filed during the pendency of the application, the inventorship will be considered to be the inventor(s) named in the original application papers.

In the peculiar situation in which no inventor is named in the original application papers (or the correct inventor(s) are not named in the original application papers), and no executed oath or declaration under § 1.63 (or cover sheet under § 1.51(c)(1) in a provisional application) is filed during the pendency of the application, it will be necessary for the applicant to file a petition under § 1.41(a) (and appropriate fee) to name the inventor(s). No explanation (other than that the paper is supplying or changing the name(s) of the inventor(s)) or showing of facts concerning the inventorship or any delay in naming the inventorship is required or desired in a petition under § 1.41(a). The petition fee is required to cover (or defray in a provisional application) the costs of updating the Office's records for the application.

Where no inventor(s) is named on filing, the Office requests that an identifying name be submitted for the application. The use of very short identifiers should be avoided to prevent confusion. Without supplying at least a unique identifying name the Office may have no ability or only a delayed ability to match any papers submitted after filing of the application and before issuance of an identifying application number with the application file. Any identifier used that is not an inventor's name should be specific, alphanumeric characters of reasonable length, and should be presented in such a manner that it is clear to application processing personnel what the identifier is and where it is to be found. It is strongly suggested that applications filed without an executed oath or declaration under § 1.63 or 1.175 include the name of the person(s) believed to be the inventor for identification purposes. Failure to apprise the Office of the application identifier being used may result in applicants having to resubmit papers that could not be matched with the application and proof of the earlier receipt of such papers where submission was time dependent.

As any inventor(s) named in the original application papers is considered to be the inventor(s) only when no oath or declaration under § 1.63 is filed in a nonprovisional application or cover sheet under § 1.51(c)(1) filed in a provisional application, the recitation of the inventorship in an application submitted under § 1.53 (b) or (d) without an executed oath or declaration or cover sheet, respectively, for purposes of identification may be changed merely by the later submission of an oath or declaration executed by a different inventive entity without recourse to a petition under § 1.41 or 1.48.

Comment 7: One comment noted that when an application is filed only an alphanumeric identifier may be used, which would of necessity require a correction of inventorship, and questioned how a verified statement under § 1.48(a) could be filed as there would be no person to sign such statement, whether the Office will require that the name(s) of the inventor(s) be submitted within a specified period, and whether the filing date will be lost if the name(s) of the inventor(s) is not submitted within such period.

Response: The name(s) of the inventor(s) in a nonprovisional application are provided in the oath or declaration under § 1.63 (§ 1.41(a)(2)) and the name(s) of the inventor(s) in a provisional application are provided in the cover sheet (§ 1.41(a)(3)). Thus, an application filed without the name(s) of the inventor(s) must also have been filed without an oath or declaration under § 1.63 (nonprovisional) or cover sheet (provisional).

The Office will set a time period in a nonprovisional application filed without an oath or declaration under § 1.63 for the filing of such an oath or declaration (§ 1.53(f)). The Office will set a time period in a provisional application filed without a cover sheet for the filing of such cover sheet (§ 1.53(g)). The subsequently filed oath or declaration or cover sheet will

inventorship of a provisional application is that inventorship set forth in the cover sheet as prescribed by § 1.51(c)(1). Section 1.41(a)(2) also provides that if a cover sheet as prescribed by § 1.51(c)(1) is not filed during the pendency of a provisional application, the inventorship is that inventorship set forth in the application papers filed pursuant to § 1.53(c), unless a petition under this paragraph accompanied by the fee set forth in

confusion. Without supplying at least a unique identifying name the Office may have no ability or only a delayed ability to match any papers submitted after filing of the application and before issuance of an identifying application number with the application file. Any identifier used that is not an inventor's name should be specific, alphanumeric characters of reasonable length, and should be presented in such a manner that it is clear to application processing

§ 1.63 (nonprovisional) or cover sheet (provisional).

The Office will set a time period in a nonprovisional application filed without an oath or declaration under § 1.63 for the filing of such an oath or declaration (§ 1.53(f)). The Office will set a time period in a provisional application filed without a cover sheet for the filing of such cover sheet (§ 1.53(g)). The subsequently filed oath or declaration or cover sheet will

provide the name(s) of the inventor(s). No petition under § 1.48(a) would be required where there was an alphanumeric identifier (and not a name of a person) or where the person(s) set forth as the inventor(s) was incorrect.

In the event that an oath or declaration or cover sheet is not timely filed, the application will become abandoned and the inventorship will be considered to be the inventor(s) named in the original application papers. The failure to timely file an oath or declaration, cover sheet, or the name(s) of the inventor(s) is not a filing date issue.

Comment 8: One comment thought that the proposed change eliminating the need to identify any inventor would lead to sloppy filing procedures and that it should in almost all cases be possible for practitioners to correctly identify the inventors at the time of filing.

Response: Experience has demonstrated that a significant number of applications filed under § 1.53(b) without an executed oath or declaration have been filed with incorrect inventorships with explanations running from "there was no time to investigate the inventorship" to "the inventors contacted either did not understand the inventorship requirements under U.S. patent law or did not appreciate that the claims as filed included or did not include the contribution of the omitted or erroneously added inventor." Additionally, Office experience is that while almost all § 1.48(a) petitions concerning such matters are eventually granted, only a small percentage are granted on the initial petition thereby causing a prolonged prosecution period, which is undesirable in view of the amendment to 35 U.S.C. 154 contained in the Uruguay Round Agreements Act (URAA), Pub. L. 103–465, 108 Stat. 4809 (1994).

Section 1.47

Section 1.47 paragraphs (a) and (b) are amended, pursuant to 35 U.S.C. 116 and 35 U.S.C 118, to provide for publication in the *Official Gazette* of a notice of filing for all applications, except for continued prosecution applications under § 1.53(d), submitted under this section rather than only when notice to the nonsigning inventor(s) is returned to the Office undelivered or when the address of the nonsigning inventor(s) is unknown. The information to be published, after grant of the § 1.47 petition, will include: The application number, filing date, invention title and name(s) of the nonsigning inventor(s). Letters returned as undeliverable are difficult to match with the related application file, and when matched with the file, the applications are burdensome to flag as requiring further action by the Office. Accordingly, the return of letters is not a desirable means of triggering publication of a notice to a nonsigning inventor as to the filing of the application. Furthermore, when a returned letter is used as such a trigger, another review of the application must be made for returned correspondence. As the best time for review of returned letters is after allowance, but before issuance, of an application, processing of the application would be delayed and done at a time that could be best used for printing related processing requirements. Printing of notice of the filing of all applications wherein § 1.47 status is granted does not require any such review to be made. In order to best balance the obligation of providing notice to inventors and efficient processing of applications, notice in the *Official Gazette* of the filing of § 1.47 applications will be prepared essentially at the same time that the letter notice is directly sent to the nonsigning inventor.

Paragraphs (a) and (b) of this section are also amended to exclude the filing of continued prosecution applications under § 1.53(d) from the notice requirement.

Section 1.47 is also amended for clarification purposes. A reference to an "omitted inventor" in § 1.47(a) is replaced with "nonsigning inventor." The statements in § 1.47 paragraphs (a) and (b) that a patent will be granted upon a satisfactory showing to the Commissioner are deleted as unnecessary. Section 1.47(b) is amended to clarify that it applies only where none of the inventors are willing or can be found to sign the oath or declaration by substitution of "an inventor" by "all the inventors." The use of "must state" in regard to the last known address is deleted as redundant in view of the explicit requirement for such address in the rule. The sentence in § 1.47(b) referring to the filing of the assignment, written agreement to assign or other evidence of proprietary interest is deleted as redundant in view of the requirement appearing earlier in § 1.47(b) calling for "proof of pertinent facts."

Comment 9: One comment believed that the amendment to § 1.47(b) results in a change in practice permitting an assignee to proceed thereunder only where all the inventors refuse to sign, and that the assignee should not be precluded from making the required declaration where only one inventor refuses to cooperate as the other inventors may not have personal knowledge of the facts.

Response: While the specific language of § 1.47(b) is amended to recite the condition that "all the inventors refuse to execute an application" the prior use of the term "inventor" was intended to mean and was interpreted as meaning all inventors. *See* MPEP 409.03(b). Accordingly, the language clarification is not a change in practice.

Although it is unclear as to what particular "facts" the comment is addressed to that the other inventors would not have personal knowledge of, facts as to the inventorship of the noncooperating inventor would better lie with the other inventors who are after all required to be joint inventors, 35 U.S.C. 116, and therefore the other inventors should have the best knowledge of the facts required for a declaration under § 1.63. Any declaration of facts, in support of the petition, to show, *e.g.*, that an inventor has refused to sign a declaration after having been given an opportunity to do so, should be made by someone with first-hand knowledge of the events, such as the attorney who presented the inventor with the application papers.

Section 1.48

Section 1.48 provides for correction of inventorship in an application (other than a reissue application). Section 1.324 provides for correction of inventorship in a patent. Sections 1.171 and 1.175 provide for correction of inventorship in a patent *via* a reissue application.

Section 1.48 is amended in its title to clarify that the section concerns patent applications, other than reissue applications, and not patents. Where a patent names an incorrect inventive entity, the inventorship error may be corrected by reissue. *See* MPEP 1402. Where a reissue application names an incorrect inventive entity in the executed reissue oath or declaration (whether the reissue application is filed for the sole purpose or in-part to correct the inventorship, or is filed for purposes other than correction of the inventorship), a new reissue oath or declaration in compliance with § 1.175 may be submitted with the correct inventorship without a petition under § 1.48. This is because it is the inventorship of the patent being reissued that is being corrected (*via* a reissue application).

35 U.S.C. 251, ¶ 3, provides that the provisions of title 35, U.S.C., relating to applications apply to reissue applications. 35 U.S.C. 116, ¶ 3, authorizes the Commissioner to permit correction of inventorship in an application under such terms as the Commissioner prescribes. The

under § 1.53(d), submitted under this section rather than only when notice to the nonsigning inventor(s) is returned to the Office undelivered or when the address of the nonsigning inventor(s) is unknown. The information to be published, after grant of the § 1.47 petition, will include: The application number, filing date, invention title and name(s) of the nonsigning inventor(s). Letters returned as undeliverable are difficult to match with the related facts."

Comment 9: One comment believed that the amendment to § 1.47(b) results in a change in practice permitting an assignee to proceed thereunder only where all the inventors refuse to sign, and that the assignee should not be precluded from making the required declaration where only one inventor refuses to cooperate as the other inventors may not have personal knowledge of the facts.

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35 U.S.C. 251, ¶ 3, provides that the provisions of title 35, U.S.C., relating to applications apply to reissue applications. 35 U.S.C. 116, ¶ 3, authorizes the Commissioner to permit correction of inventorship in an application under such terms as the Commissioner prescribes. The

Commissioner has determined that correction of inventorship in a reissue application may be accomplished under 35 U.S.C. 251 *via* the reissue oath or declaration, without resort to a petition under § 1.48. Therefore, § 1.48 has been amended to specifically exclude its applicability to correction of inventorship in a reissue application.

Section 1.48(a) will not require correction of the inventorship if the inventorship or other identification under § 1.41 was set forth in error on filing of the application. Section 1.48(a) is amended to apply only to correction of inventor or inventors, in applications, other than reissue applications, from that named in an originally filed executed oath or declaration and not to the naming of inventors or others for identification purposes under § 1.41. The statement to be submitted will be required only from the person named in error as an inventor or from the person who through error was not named as an inventor rather than from all the original named inventors so as to comply with 35 U.S.C. 116. The requirement that any amendment of the inventorship under § 1.48(a) be "diligently" made has been removed. The applicability of a rejection under 35 U.S.C. 102(f) or (g) against an application with the wrong inventorship set forth therein and any patent that would issue thereon is a sufficient motivation for prompt correction of the inventorship without the need for a separate requirement for diligence.

Comment 10: Two comments expressed opposition to deletion of the diligence requirement in § 1.48 paragraphs (a) through (c) in that removal thereof would seem to promote delay in correction of the inventorship and decrease the importance of having the correct inventorship.

Response: In addition to the motivation noted in the explanation of the rules for not allowing a patent to issue with improper inventorship, the criteria for correction of the inventorship becomes more restrictive subsequent to issuance under § 1.324 (having a statutory basis under 35 U.S.C. 256) than under § 1.48(a) (having a statutory basis under 35 U.S.C. 116). 35 U.S.C. 256 requires participation by all the parties including each original named inventor, which participation may be harder to obtain after the patent has issued. Petitions under § 1.48(a) filed earlier while the application is pending may seek waiver under § 1.183 of participation of some of the parties needed to participate. Additionally, petitions under § 1.48 in pending applications are not entered as a matter of right in rejected (the criteria of § 1.116 applies) or allowed (the criteria of § 1.312 applies) applications. *See* § 1.48(a) and MPEP 201.03.

A clarifying reference to § 1.634 is added in § 1.48(a) for instances when inventorship correction is necessary during an interference and has been moved from § 1.48(a)(4) for improved contextual purposes.

The § 1.48(a)(1) statement requires a statement only as to the lack of deceptive intent rather than a statement of facts to establish how the inventorship error was discovered and how it occurred, since the latter requirement is deleted. Additionally, the persons from whom a statement is required now includes any person who through error was not named as an inventor but limits statements from the original named inventors to only those persons named in error as inventors rather than all persons originally named as inventors including those correctly named. The paragraph is amended to remove the requirement that the statement be verified in accordance with the change to §§ 1.4(d)(2) and 10.18.

Comment 11: One comment opposed the removal of the Office from examining the issue of inventorship as substantive law invalidates patents that have issued in the names of incorrect inventors and the Office is charged with the duty of examining applications for the purpose of denying issue to those applications that do not meet the standards of patentability. Where an oath has originally been filed asserting the proper inventor is one entity and a subsequent paper asserts that the proper inventor is another, under such circumstances "the facts are inherently suspect" and an investigation by the Office is warranted and required by statute.

Response: The amendments to § 1.48 have otherwise received overwhelming support.

The Office has pursued the existence of improper inventorship in applications by rejection under 35 U.S.C. 102(f) or (g) and will continue to do so independent of the change in the verified statement requirements under § 1.48 paragraphs (a) or (c). A request to change inventorship, however, often requested by the current inventors or assignee on their own initiative is not seen to be inherently fraught with deceptive intent as to warrant a close and detailed examination absent more. A statement that the error was made without deceptive intent is seen to be a sufficient investigation complying with the statutory requirement under 35 U.S.C. 116, particularly as most petitions are eventually granted or an application can be refiled naming the new desired inventive entity. Refiling of the application to change the inventorship will not cause the Office, absent more, to initiate an investigation as to the correct inventorship or cause a rejection under 35 U.S.C. 102(f) or (g) to be made. Additionally, it should be noted that the Office views a petition under § 1.48 to be a procedural matter and not to represent a substantive determination as to the actual inventorship. *See* MPEP 201.03, Verified Statement of Facts.

For those situations where there was deceptive intent, the Office is lacking certain necessary tools for a thorough inquiry (*e.g.*, subpoena authority) to ascertain the truth thereof (as in other situations under §§ 1.28 and 1.56). However, the inquiry cannot be waived by the Office due to the statutory requirement under 35 U.S.C. 116. There is no other reasonable course of action than to accept as an explanation for the execution of a § 1.63 oath or declaration setting forth an erroneous inventive entity that the inventor did not remember the contribution of the omitted inventor at the time the oath or declaration was executed (absent subpoena power and *inter parties* hearings), and therefore further inquiries into the matter other than a statement of lack of deceptive intent are a waste of Office resources.

Comment 12: One comment suggested that in limiting the submission of a verified statement of facts to only the parties being added or deleted as inventors, agreement of the original named inventors should also be obtained as is currently done when verified statements of facts from all the original named inventors are required.

Response: Agreement or acquiescence of the original named inventors, to the extent that they remain as inventors, to the new inventorship will be obtained through the retained requirement that the actual inventive entity complete a new oath or declaration under § 1.63, which must set forth the new inventive entity. Additionally, through the rule changes to this section and §§ 1.28 and 1.175 the Office is decreasing its investigation of claims relating to a lack of deceptive intent. The remaining purpose of these rules is to force the applicant(s) to merely make an assertion as to a lack of deceptive intent thereby permitting subsequent reviewers (tribunals or otherwise) to determine, in light of all the available facts, whether the applicant(s) complied with the statute.

Section 1.48(a)(2) is amended for clarification purposes to indicate the availability of §§ 1.42, 1.43 or 1.47 in meeting the requirement for an executed oath or declaration under § 1.63 from

the parties including each original named inventor, which participation may be harder to obtain after the patent has issued. Petitions under § 1.48(a) filed earlier while the application is pending may seek waiver under § 1.183 of participation of some of the parties needed to participate. Additionally, petitions under § 1.48 in pending applications are not entered as a matter of right in rejected (the criteria of § 1.116 applies) or allowed (the criteria assignee on their own initiative is not seen to be inherently fraught with deceptive intent as to warrant a close and detailed examination absent more. A statement that the error was made without deceptive intent is seen to be a sufficient investigation complying with the statutory requirement under 35 U.S.C. 116, particularly as most petitions are eventually granted or an application can be refiled naming the new desired inventive entity. Refiling of applicant(s) to merely make an assertion as to a lack of deceptive intent thereby permitting subsequent reviewers (tribunals or otherwise) to determine, in light of all the available facts, whether the applicant(s) complied with the statute.

Section 1.48(a)(2) is amended for clarification purposes to indicate the availability of §§ 1.42, 1.43 or 1.47 in meeting the requirement for an executed oath or declaration under § 1.63 from

each actual inventor. Section 1.47 is only applicable to the person to be added as an inventor (inventors named in an application transmittal letter can be deleted without petition). For those persons already having submitted an executed oath or declaration under § 1.63, a petition under § 1.183, requesting waiver of reexecution of an oath or declaration, may be an appropriate remedy. The requirement for an oath or declaration is maintained in § 1.48(a) notwithstanding its replacement in § 1.324 for issued patents by a statement of agreement or lack of disagreement with the requested change in view of the need to satisfy the duty of disclosure requirement in a pending application that is set forth in a § 1.63 oath or declaration.

Section 1.48(a)(4) is amended to include a citation to § 3.73(b) to clarify the requirements for submitting a written consent of assignee, which is subject to the requirement under § 3.73(b), and to delete the reference to an application involved in an interference, which is being moved to § 1.48(a). Section 1.48(a)(4) is also amended to clarify that the assignee required to submit its written consent is only the existing assignee of the original named inventors at the time the petition is filed and not any party that would become an assignee based on the grant of the inventorship correction.

Section 1.48(b) is also amended to remove the requirement that a petition thereunder be diligently filed. The applicability of a rejection under 35 U.S.C. 102 (f) or (g) against an application with the wrong inventorship set forth therein and any patent that would issue thereon is sufficient motivation for prompt correction of the inventorship without the need for a separate requirement for diligence.

Section 1.48(b) is amended to have a clarifying reference to § 1.634 added for instances when inventorship correction is necessary during an interference.

Comment 13: A comment noted that the literal wording of § 1.48(b) permits correction thereunder only where the correct inventors were named on filing thereby excluding correction under § 1.48(b) where an incorrect inventorship was named on filing that was subsequently corrected under § 1.48(a) and, subsequent to the correction prosecution of the application, required additional correction under § 1.48(b).

Response: The comment is accepted and § 1.48(b) has been modified to delete "when filed" after "nonprovisional application" for clarification purposes. Additionally, the term "originally" in the first sentence of paragraph (b) has been replaced with "currently."

Section 1.48(c) is amended so that a petition thereunder no longer needs to meet the current requirements of § 1.48(a), which are also changed. A statement from each inventor being added that the inventorship amendment is necessitated by amendment of the claims and that the error occurred without deceptive intent is required under § 1.48(c)(1) rather than the previous requirement of a statement from each original named inventor. The previous requirements under § 1.48(a) for an oath or declaration, the written consent of an assignee and the written consent of any assignee are retained, but are now separately set forth in §§ 1.48 paragraphs (c)(2) through (c)(4). The particular circumstances of a petition under this paragraph, adding an inventor due to an amendment of the claims that incorporates material attributable to the inventor to be added, is seen to be indicative of a lack of deceptive intent in the original naming of inventors. Accordingly, all that must be averred to is that an amendment of the claims has necessitated correction of the inventorship and that the inventorship error existing in view of the claim amendment occurred without deceptive intent. The previous requirement for diligence in filing the petition based on an amendment to the claims is not retained as applicants have the right, prior to final rejection or allowance, to determine when particular subject matter is to be claimed. Applicants should note that any petition under § 1.48 submitted after allowance is subject to the requirements of § 1.312, and a petition submitted after final rejection is not entered as a matter of right.

Section 1.48(c)(2) is amended to clarify the availability of §§ 1.42, 1.43 and 1.47 in meeting the requirement for an executed oath or declaration under § 1.63. Section 1.47 is only applicable to the person to be added as an inventor. For those persons already having an executed oath or declaration under § 1.63, a petition under § 1.183, requesting waiver of reexecution of an oath or declaration, may be an appropriate remedy.

Section 1.48(c)(4) is amended to clarify that the assignee required to submit its written consent is only the existing assignee of the original named inventors at the time the petition is filed and not any party that would become an assignee based on the grant of the inventorship correction. A citation to § 3.73(b) is presented.

Section 1.48(d) is amended by addition of "their part" to replace "the part of the actual inventor or inventors" and of "omitted" to replace "actual" to require statements from the inventors to be added rather than from all the actual inventors so as to comply with 35 U.S.C. 116.

Section 1.48(d)(1) is also clarified to specify that the error to be addressed is the inventorship error. It is not expected that the party filing a provisional application will normally need to correct an error in inventorship under this paragraph by adding an inventor therein except when necessary under § 1.78 to establish an overlap of inventorship with a continuing application.

Section 1.48(d)(1) is also amended to remove the requirement that the statement be verified in accordance with the change to §§ 1.4(d)(2) and 10.18.

Section 1.48(e)(1) is amended to replace a requirement in provisional applications that the required statement be one "of facts" directed towards "establishing that the error" being corrected "occurred without deceptive intention," requiring only a statement that the inventorship error occurred without deceptive intent. Paragraph (e)(1) is also amended to remove the requirement that the statement be verified in accordance with the change to §§ 1.4(d)(2) and 10.18. It is not expected that the party filing a provisional application would need to file a petition under this paragraph since the application will go abandoned by operation of law (35 U.S.C. 111(b)(5)), and the need to delete an inventor will not affect the overlap of inventorship needed to claim priority under § 1.78(a)(3) for any subsequently filed nonprovisional application.

Section 1.48(e)(3) is amended to clarify that the assignee required to submit its written consent is only the prior existing assignee before correction of the inventorship is granted and not any party that would become an assignee based on the grant of the inventorship correction. A reference to § 3.73(b) is added.

Section 1.48(f) is added to provide that the later filing of an executed oath or declaration (or cover sheet (§ 1.51(c)(1)) in a provisional application) during the pendency of the application would act to correct the inventorship without a specific petition for such correction and will be used to further process the application notwithstanding any inventorship or other identification name earlier presented.

Section 1.48(g) is added to specifically recognize that the Office may require such other information as may be deemed appropriate under the

inventorship was named on filing that was subsequently corrected under § 1.48(a) and, subsequent to the correction prosecution of the application, required additional correction under § 1.48(b).

Response: The comment is accepted and § 1.48(b) has been modified to delete "when filed" after "nonprovisional application" for clarification purposes. Additionally, the term "originally" in the first sentence of appropriate remedy.

Section 1.48(c)(4) is amended to clarify that the assignee required to submit its written consent is only the existing assignee of the original named inventors at the time the petition is filed and not any party that would become an assignee based on the grant of the inventorship correction. A citation to § 3.73(b) is presented.

Section 1.48(d) is amended by addition of "their part" to replace "the application) during the pendency of the application would act to correct the inventorship without a specific petition for such correction and will be used to further process the application notwithstanding any inventorship or other identification name earlier presented.

Section 1.48(g) is added to specifically recognize that the Office may require such other information as may be deemed appropriate under the

particular circumstances surrounding a correction of the inventorship.

Section 1.51

Section 1.51, paragraphs (a)(1) and (a)(2), are re-written as § 1.51, paragraphs (b) and (c), respectively, and § 1.51(b) is re-written as § 1.51(d). Section 1.51(c) covering the use of an authorization to charge a deposit account is removed as unnecessary in view of § 1.25(b).

No comments were received regarding the proposed change to § 1.51.

Section 1.52

Section 1.52, paragraphs (a) and (d), are amended to remove the requirement that the translation be verified in accordance with the change to §§ 1.4(d)(2) and 10.18. Section 1.52, paragraph (c), is amended to remove the reference to §§ 1.123 through 1.125 to: (1) reflect a transfer of material from §§ 1.123 and 1.124 to § 1.121; (2) further clarify that § 1.125 is not a vehicle amendment of an application; and (3) to clarify that alterations to application papers may be made on, as well as before, the signing of the oath or declaration. Section 1.52, paragraphs (a) and (d), are also amended to clarify the need for a statement that the translation being offered is an accurate translation, as in § 1.69(b).

Comment 14: Two comments were received asking whether the attorney can sign the statement that the translation is accurate, and how much firsthand knowledge does a practitioner need to know that the translation is accurate.

Response: The Office will accept a statement that the translation is accurate from any party. However, any party signing such statement must keep in mind the averments that are made under §§ 1.4(d) and 10.18. The actual firsthand knowledge needed by a practitioner is that amount of knowledge to comply with the averments in §§ 1.4(d) and 10.18.

Comment 15: A comment questioned whether there is any difference between the previous language of "verified translation" and the present language of "accurate translation."

Response: The previous language was directed at a verification that the translation is accurate. A verification requirement is now unnecessary due to the amendments to §§ 1.4(d) and 10.18. Thus, § 1.52(d) is amended to include the more direct term "accurate."

Section 1.53

Section 1.53 is amended to include headings for each paragraph for purposes of clarity.

Section 1.53(a) is amended to state that "[a]ny papers received in the Patent and Trademark Office which purport to be an application for a patent will be assigned an application number for identification purposes." That is, the Office will refer to papers purporting to be an application for a patent as an "application" and assign such "application" an application number for identification purposes. This reference, however, does not imply that such papers meet the requirements in § 1.53(b) to be accorded a filing date or constitute an "application" within the meaning of 35 U.S.C. 111.

Section 1.53(b) is amended to provide that: (1) the filing date of an application for patent filed under § 1.53(b) is the date on which a specification as prescribed by 35 U.S.C. 112 containing a description pursuant to § 1.71 and at least one claim pursuant to § 1.75, and any drawing required by § 1.81(a) are filed in the Office; (2) no new matter may be introduced into an application after its filing date; (3) a continuation or divisional application filed by all or by fewer than all of the inventors named in a prior nonprovisional application may be filed under § 1.53(b) or (d); and (4) a continuation or divisional application naming an inventor not named in the prior nonprovisional application or a continuation-in-part application must be filed under § 1.53(b).

Section 1.53(c) is amended to provide for provisional applications (formerly provided for in § 1.53(b)(2)). Section 1.53(c) includes the language of former § 1.53(b)(2), with certain changes for purposes of clarity. Section 1.53(c)(i), for example, includes language requiring either the provisional application cover sheet required by § 1.51(c)(1) or a cover letter identifying the application as a provisional application. The cover letter may be an application transmittal letter or some other paper identifying the accompanying papers as a provisional application.

Section 1.53(d) is amended to provide for continued prosecution applications. Section 1.53(d)(1) provides that a continuation or divisional application, but not a continuation-in-part, of a prior nonprovisional application may be filed as a continued prosecution application under § 1.53(d), subject to the conditions specified in paragraph (d)(1)(i) and (d)(1)(ii). That is, an application under § 1.53(d) cannot be a continuation-in-part application, and the prior application cannot be a provisional application.

Section 1.53(d)(1)(i) specifies that the prior application be either: (1) Complete as defined by § 1.51(b) and filed on or after June 8, 1995; or (2) the national stage of an international application in compliance with 35 U.S.C. 371 and filed on or after June 8, 1995. The phrase "prior" application in § 1.53(d)(1) means the application immediately prior to the continued prosecution application under § 1.53(d), in that a continued prosecution application under § 1.53(d) may claim the benefit under 35 U.S.C. 120, 121, or 365(c) of applications filed prior to June 8, 1995 so long as the application that is immediately prior to the continued prosecution application under § 1.53(d) was filed on or after June 8, 1995.

Section 1.53(d)(1)(ii) specifies that the application under § 1.53(d) be filed before the earliest of: (1) Payment of the issue fee on the prior application, unless a petition under § 1.313(b)(5) is granted in the prior application; (2) abandonment of the prior application; or (3) termination of proceedings on the prior application.

Section 1.53(d)(2) provides that the filing date of a continued prosecution application is the date on which a request on a separate paper for an application under § 1.53(d) is filed. That is, a request for an application under § 1.53(d) cannot be submitted within papers filed for another purpose (*e.g.*, the filing of a "conditional" request for a continued prosecution application within an amendment after final for the prior application is an improper request for a continued prosecution application under § 1.53(d)).

In addition, a "conditional" request for a continued prosecution application will not be permitted. Any "conditional" request for a continued prosecution application submitted (as a separate paper) with an amendment after final in an application will be treated as an unconditional request for a continued prosecution application of such application. This will result (by operation of § 1.53(d)(2)(v)) in the abandonment of such (prior) application, and (if so instructed in the request for a continued prosecution application) the amendment after final in the prior application will be treated as a preliminary amendment in the continued prosecution application.

Section 1.53(d)(2) further provides that an application filed under § 1.53(d): (1) Must identify the prior application (§ 1.53(d)(i)); (2) discloses and claims only subject matter disclosed in the prior application (*i.e.*, is a continuation or divisional, but not a continuation-in-part) (§ 1.53(d)(1)(ii)); (3) names as inventors the same inventors named in the prior application on the date the application under § 1.53(d) was filed, except as provided in § 1.53(d)(4)

Response: The previous language was directed at a verification that the translation is accurate. A verification requirement is now unnecessary due to the amendments to §§ 1.4(d) and 10.18. Thus, § 1.52(d) is amended to include the more direct term "accurate."

Section 1.53

Section 1.53 is amended to include headings for each paragraph for purposes of clarity.

nonprovisional application may be filed as a continued prosecution application under § 1.53(d), subject to the conditions specified in paragraph (d)(1)(i) and (d)(1)(ii). That is, an application under § 1.53(d) cannot be a continuation-in-part application, and the prior application cannot be a provisional application.

Section 1.53(d)(1)(i) specifies that the prior application be either: (1) Complete as defined by § 1.51(b) and filed on or

Section 1.53(d)(2) further provides that an application filed under § 1.53(d): (1) Must identify the prior application (§ 1.53(d)(i)); (2) discloses and claims only subject matter disclosed in the prior application (*i.e.*, is a continuation or divisional, but not a continuation-in-part) (§ 1.53(d)(1)(ii)); (3) names as inventors the same inventors named in the prior application on the date the application under § 1.53(d) was filed, except as provided in § 1.53(d)(4)

(§ 1.53(d)(2)(iii)); (4) includes the request for an application under § 1.53(d), will utilize the file jacket and contents of the prior application, including the specification, drawings and oath or declaration, from the prior application to constitute the new application, and will be assigned the application number of the prior application for identification purposes (§ 1.53(d)(2)(iv)); and (5) is a request to expressly abandon the prior application as of the filing date of the request for an application under § 1.53(d) (§ 1.53(d)(2)(v)).

Section 1.53(d)(3) provides that the filing fee for a continued prosecution application filed under § 1.53(d) is: (1) The basic filing fee as set forth in § 1.16; and (2) any additional § 1.16 fee due based on the number of claims remaining in the application after entry of any amendment accompanying the request for an application under § 1.53(d) and entry of any amendments under § 1.116 not entered in the prior application which applicant has requested to be entered in the continued prosecution application. *See* 35 U.S.C. 41(a) (1)–(4).

Section 1.53(d)(4) provides that an application filed under § 1.53(d) may be filed by fewer than all the inventors named in the prior application, provided that the request for an application under § 1.53(d) when filed is accompanied by a statement requesting deletion of the name or names of the person or persons who are not inventors of the invention being claimed in the new application, and that no person may be named as an inventor in an application filed under § 1.53(d) who was not named as an inventor in the prior application on the date the application under § 1.53(d) was filed, except by way of a petition under § 1.48. Thus, an application under § 1.53(d) must name as inventors either the same as (§ 1.53(d)(2)(iii)) or fewer than all of (§ 1.53(d)(4)) the inventors named in the prior application. A request for an application under § 1.53(d) purporting to name as an inventor a person not named as an inventor in the prior application (even if accompanied by a new oath or declaration under § 1.63 listing that person as an inventor) will be treated as naming the same inventors named in the prior application (§ 1.53(d)(2)(iii)).

Section 1.53(d)(5) provides that: (1) Any new change must be made in the form of an amendment to the prior application; (2) no amendment in an application under § 1.53(d) (a continued prosecution application) may introduce new matter or matter that would have been new matter in the prior application; and (3) any new specification filed with the request for an application under § 1.53(d) will not be considered part of the original application papers, but will be treated as a substitute specification in accordance with § 1.125. Pursuant to the provisions of § 1.53(d)(5), where applicant desires entry of an amendment in the application under § 1.53(d) that was previously denied entry under § 1.116 in the prior application, the applicant must request its entry (and pay any additional claims fee required by § 1.53(d)(3)(ii)) in the application under § 1.53(d) prior to action by the Office in the application under § 1.53(d). Any amendment submitted with the request for an application under § 1.53(d) that seeks to add matter that would have been new matter in the prior application will be objected to under § 1.53(d), and the applicant will be required to cancel the subject matter that would have been new matter in the prior application.

Section 1.53(d)(6) provides that the filing of a continued prosecution application under § 1.53(d) will be construed to include a waiver of confidentiality by the applicant under 35 U.S.C. 122 to the extent that any member of the public who is entitled under the provisions of § 1.14 to access to, copies of, or information concerning either the prior application or any continuing application filed under the provisions of this paragraph may be given similar access to, copies of, or similar information concerning, the other application(s) in the application file.

Section 1.53(d)(7) provides that a request for an application under § 1.53(d) is a specific reference under 35 U.S.C. 120 to every application assigned the application number identified in such request, and that no amendment in a continued prosecution application under § 1.53(d) shall delete this specific reference to any prior application. That is, other than the identification of the prior application in the request required by § 1.53(d) for a continued prosecution application, a continued prosecution application needs no further identification of or reference to the prior application (or any prior application assigned the application number of such application under § 1.53(d)) under 35 U.S.C. 120 and § 1.78(a)(2).

Section 1.53(d)(8) provides that in addition to identifying the application number of the prior application, applicant is urged to furnish in the request for an application under § 1.53(d) the following information relating to the prior application to the best of his or her ability: (1) Title of invention; (2) name of applicant(s); and (3) correspondence address.

Section 1.53(d)(9) provides that: (1) Envelopes containing only requests and fees for filing an application under § 1.53(d) should be marked "Box CPA" and (2) requests for an application under § 1.53(d) filed by facsimile transmission should be clearly marked "Box CPA."

Section 1.53(e)(1) provides that if an application deposited under § 1.53 paragraphs (b), (c), or (d) does not meet the respective requirements in § 1.53 paragraphs (b), (c), or (d) to be entitled to a filing date, applicant will be so notified, if a correspondence address has been provided, and given a time period within which to correct the filing error.

Section 1.53(e)(2) provides that: (1) Any request for review of a notification pursuant to § 1.53(e)(1), or a notification that the original application papers lack a portion of the specification or drawing(s), must be by way of a petition pursuant to § 1.53(e); (2) any petition under § 1.53(e) must be accompanied by the fee set forth in § 1.17(i) in an application filed under § 1.53 paragraphs (b) or (d), and the fee set forth in § 1.17(q) in an application filed under § 1.53(c); and (3) in the absence of a timely (§ 1.181(f)) petition pursuant to this paragraph, the filing date of an application in which the applicant was notified of a filing error pursuant to paragraph (e)(1) of this section will be the date the filing error is corrected.

Section 1.53(e)(3) provides that if an applicant is notified of a filing error pursuant to § 1.53(e)(1), but fails to correct the filing error within the given time period or otherwise timely (§ 1.181(f)) take action pursuant to § 1.53(e)(2), proceedings in the application will be considered terminated, and that where proceedings in an application are terminated pursuant to § 1.53(e)(3), the application may be disposed of, and any filing fees, less the handling fee set forth in § 1.21(n), will be refunded.

Section 1.53(f) is amended to include the language of former § 1.53(d)(1) and to provide that the oath or declaration required for a continuation or divisional application under § 1.53(b) may be a copy of the executed oath or declaration filed in the prior application (under § 1.63(d)).

Section 1.53 paragraphs (g), (h), (i), and (j) are added and include the language of former § 1.53 paragraphs (d)(2), (e)(1), (e)(2), and (f), respectively.

Comment 16: The majority of the comments supported the deletion of §§ 1.60 and 1.62 in favor of the proposed amendment to § 1.53.

listing that person as an inventor) will be treated as naming the same inventors named in the prior application (§ 1.53(d)(2)(iii)).

Section 1.53(d)(5) provides that: (1) Any new change must be made in the form of an amendment to the prior application; (2) no amendment in an application under § 1.53(d) (a continued prosecution application) may introduce new matter or matter that would have been new matter in the prior application (or any prior application assigned the application number of such application under § 1.53(d)) under 35 U.S.C. 120 and § 1.78(a)(2).

Section 1.53(d)(8) provides that in addition to identifying the application number of the prior application, applicant is urged to furnish in the request for an application under § 1.53(d) the following information relating to the prior application to the best of his or her ability: (1) Title of application under § 1.53(b) may be a copy of the executed oath or declaration filed in the prior application (under § 1.63(d)).

Section 1.53 paragraphs (g), (h), (i), and (j) are added and include the language of former § 1.53 paragraphs (d)(2), (e)(1), (e)(2), and (f), respectively.

Comment 16: The majority of the comments supported the deletion of §§ 1.60 and 1.62 in favor of the proposed amendment to § 1.53.

Response: The Office is deleting §§ 1.60 and 1.62 in favor of an amended § 1.53.

Comment 17: Several comments suggested that the Office adopt a continued prosecution procedure for applications filed on or after June 8, 1995 similar to the practice set forth in § 1.129(a), rather than the continued prosecution application practice set forth in § 1.53(d).

Response: Section 532(a)(2)(A) of Pub. L. 103-465 provides specific authorization for the practice set forth in § 1.129(a). There is currently no statutory authority for the Office to simply charge the patent fees set forth in 35 U.S.C. 41(a) for further examination of an application. 35 U.S.C. 41(d) would authorize the Office to further examine an application for a fee that recovers the estimated average cost to the Office of such further examination; however, as 35 U.S.C. 41(h) is applicable only to fees under 35 U.S.C. 41 (a) and (b), the Office would not be authorized to provide a small entity reduction in regard to such fee. Thus, the only mechanism by which the Office may provide further examination for a fee to which the small entity reduction is applicable is *via* a continuing application.

Section 209 of H.R. 3460, 104th Cong., 2d Sess. (1996), would have provided statutory authority for the further reexamination of an application for a fee to which the small entity reduction was applicable. Section 209 of H.R. 400, 105th Cong., 1st Sess. (1997), if enacted, will provide statutory authority for the further reexamination of an application for a fee to which the small entity reduction will be applicable.

Comment 18: One comment stated that the combination of §§ 1.53, 1.60, and 1.62 into a single § 1.53 was complex and confusing. Another comment suggested that § 1.53 be split into a number of sections, or that headings be used in § 1.53 in the manner that headings are used in §§ 1.84 and 1.96.

Response: Placing the provisions of § 1.53 into multiple sections, rather than multiple paragraphs of a single section, would not result in a simplification of its provisions. The Office considers it appropriate to place the filing provisions concerning all applications (nonprovisional, provisional, and continued prosecution) into a single section to reduce the confusion as to the filing requirements for any application for patent. Section 1.53 as adopted includes headings in each paragraph of § 1.53 to indicate the subject to which each of these paragraphs pertains.

Comment 19: One comment suggested amending § 1.53 to require applicants to indicate changes to the disclosure in a continuation or divisional application.

Response: The suggestion is not adopted. The Office did not propose to amend § 1.53 to require applicants to indicate changes to the disclosure in any continuing application. Thus, adopting a change to impose this additional burden on an applicant is not considered appropriate in this Final Rule.

Comment 20: One comment suggested that the Office permit applicants to file a statement requesting deletion of an inventor in a continuation or divisional application any time prior to or coincident with the mailing of an issue fee payment. The comment questioned whether the time period in § 1.53(e)(1) addresses this issue.

Response: Unless a statement requesting the deletion of the names of the person or persons who are not inventors in the continuation or divisional application accompanies the copy of the executed oath or declaration submitted in accordance with § 1.63(d) in an application filed pursuant to § 1.53(b), or accompanies the request for an application under § 1.53(d) in an application filed pursuant to § 1.53(d), the inventorship of the continuation or divisional application filed under § 1.53(b) using a copy of the oath or declaration of the prior application pursuant to § 1.63(d) or filed under § 1.53(d) will be considered identical to that in the prior application, and correction of the inventorship (if appropriate) must be by way of § 1.48. Identification of the inventorship is necessary to the examination of an application (*e.g.*, 35 U.S.C. 102(f) and (g)). As such, the Office must require identification of the inventorship prior to examination of an application.

Section 1.53(e)(1) applies in those instances in which papers filed as an application under § 1.53 (b), (c), or (d) do not meet the respective requirements of § 1.53 (b), (c), or (d) to be entitled to a filing date. Submitting an oath or declaration is not a filing date issue, and naming the inventors is no longer a filing date issue. Thus, the provisions of § 1.53(e) do not apply to the filing of a statement requesting deletion of an inventor in a continuation or divisional application.

Comment 21: One comment questioned whether § 1.53(d) applies only to applications filed on or after June 8, 1995, and questioned whether § 1.53(d) should be made applicable to pending applications filed prior to June 8, 1995. The comment also questioned the relationship between § 1.129(a) and § 1.53(d).

Response: Section § 1.53(d), by its terms, permits the filing of a continuation or divisional thereunder of only a nonprovisional application that, *inter alia*, is either: (1) Complete as defined by § 1.51(b) and filed on or after June 8, 1995 or; (2) resulted from entry into the national stage of an international application in compliance with 35 U.S.C. 371 filed on or after June 8, 1995. While § 1.53(d) and § 1.129(a) both provide for the continued prosecution of an application, these sections are distinct in that they apply to a virtually mutually exclusive class of applications and have separate requirements (*e.g.*, a request for a § 1.53(d) application may be filed subsequent to the filing of an appeal brief, so long as the request is filed before the earliest of: (1) Payment of the issue fee on the prior application, unless a petition under § 1.313(b)(5) is granted in the prior application; (2) abandonment of the prior application; or (3) termination of proceedings on the prior application).

Comment 22: One comment suggested that the rules of practice permit the execution of copies of an oath or declaration by fewer than all of the inventors, without cross-reference to the other copies to facilitate contemporaneous executions by geographically separated inventors.

Response: The suggestion is not adopted. Section 1.63(a)(3) requires that an oath (or declaration), *inter alia*, identify each inventor. The rules of practice permit inventors to execute separate oaths (or declarations), so long as each oath (or declaration) sets forth all of the inventors (the necessary cross-reference). That is, § 1.63(a)(3) prohibits the execution of separate oaths (or declarations) in which each oath (or declaration) sets forth only the name of the executing inventor. An amendment to the rules of practice to permit an inventor to execute an oath or declaration that does not set forth each inventor would not only lead to confusion as to the inventorship of an application, but would be inconsistent with the requirement in 35 U.S.C. 115 that the applicant make an oath (or declaration) that the applicant believes himself (or herself) to be the original and first inventor of the subject matter for which a patent is sought, as the oaths or declarations would conflict as to the inventorship of the application.

Comment 23: Several comments suggested that the statement required under 35 U.S.C. 120 in a continued prosecution application will be confusing as the continued prosecution

would not result in a simplification of its provisions. The Office considers it appropriate to place the filing provisions concerning all applications (nonprovisional, provisional, and continued prosecution) into a single section to reduce the confusion as to the filing requirements for any application for patent. Section 1.53 as adopted includes headings in each paragraph of § 1.53 to indicate the subject to which each of these paragraphs pertains.

filing date issue. Thus, the provisions of § 1.53(e) do not apply to the filing of a statement requesting deletion of an inventor in a continuation or divisional application.

Comment 21: One comment questioned whether § 1.53(d) applies only to applications filed on or after June 8, 1995, and questioned whether § 1.53(d) should be made applicable to pending applications filed prior to June 8, 1995. The comment also questioned

that the applicant make an oath (or declaration) that the applicant believes himself (or herself) to be the original and first inventor of the subject matter for which a patent is sought, as the oaths or declarations would conflict as to the inventorship of the application.

Comment 23: Several comments suggested that the statement required under 35 U.S.C. 120 in a continued prosecution application will be confusing as the continued prosecution

application will have the same application number as the prior application. One comment indicated that this will cause confusion: (1) As to which application is being referenced in a 35 U.S.C. 120 statement in the divisional application when a divisional application under § 1.53(b) and a continued prosecution application filed under § 1.53(d) are filed from the same prior application; and (2) in docketing applications as most commercially available software identify applications by application number. Another comment questioned what sentence was required pursuant to § 1.78(a)(2) in a continued prosecution application.

Response: 35 U.S.C. 120 provides that an application may obtain the benefit of the filing date of an earlier filed application if, *inter alia*, the application "contains or is amended to contain a specific reference to the earlier filed application." Section 1.78(a) requires that this specific reference be in the first sentence of the specification and identify each earlier filed application by application number or international application number and international filing date and relationship of the applications. Thus, while a "specific reference to the earlier filed application" is a requirement of statute (35 U.S.C. 120), the particulars of this specific reference (by application number, filing date, and relationship) is a requirement of regulation (§ 1.78(a)), not the patent statute.

The purpose of the "specific reference" requirement of 35 U.S.C. 120 is to provide notice to the public of the filing date upon which a patentee may rely to support the validity of the patent:

> [35 U.S.C. 120] embodies an important public policy. The information required to be disclosed is information that would enable a person searching the records of the Patent Office to determine with a minimum of effort the exact filing date upon which a patent applicant is relying to support the validity of his application or the validity of a patent issued on the basis of one of a series of applications. In cases such as this, in which two or more applications have been filed and the validity of a patent rests upon the filing date of an application other than that upon which the patent was issued, a person, even if he had conducted a search of the Patent Office records, could unwittingly subject himself to exactly this type of infringement suit unless the later application adequately put him on notice that the applicant was relying upon a filing date different from that stated in the later application.

Sampson v. *Ampex Corp.*, 463 F.2d 1042, 1045, 174 USPQ 417, 419 (2d Cir. 1972); *see also Sticker Indus. Supply Corp.* v. *Blaw-Knox Co.*, 405 F.2d 90, 93, 160 USPQ 177, 179 (7th Cir. 1968) ("Congress may well have thought that [35 U.S.C.] 120 was necessary to eliminate the burden on the public to engage in long and expensive search of previous applications in order to determine the filing date of a later patent * * *. The inventor is the person best suited to understand the relation of his applications, and it is no hardship to require him to disclose this information").

To reduce the delay in processing a continued prosecution application, the Office will maintain in its records (*e.g.*, in the Patent Application Locating and Monitoring (PALM) records for an application) for identification purposes the application number and filing date of the prior application. Thus, in a continued prosecution application, the application number of the continued prosecution application will be the application number of the prior application, and the filing date indicated on any patent issuing from a continued prosecution application will be the filing date of the prior application (or, in a chain of continued prosecution applications, the filing date of the application immediately preceding the first continued prosecution application in the chain). In addition, as a continued prosecution application will use the file wrapper of the prior application, the prior application will be available upon inspection of the continued prosecution application.

Unless excepted from § 1.78(a)(2), the first sentence of a continued prosecution application would consist of a reference to that application as a continuation or divisional of an application having the identical application number and the effective filing date of (the filing date to be printed on any patent issuing from) the continued prosecution application. Such a sentence would provide no useful information to the public.

Therefore, § 1.53(d)(7) as adopted provides that a request for an application under § 1.53(d) is a specific reference under 35 U.S.C. 120 to every application assigned the application number identified in such request, and § 1.78(a)(2) as adopted provides that the request for a continued prosecution application under § 1.53(d) is the specific reference under 35 U.S.C. 120 to the prior application. That is, the continued prosecution application includes the request for an application under § 1.53(d) (§ 1.53(d)(2)(iv)), and the recitation of the application number of the prior application in such request (as required by § 1.53(d)) is the "specific reference to the earlier filed application" required by 35 U.S.C. 120. No further amendment to the specification is required by 35 U.S.C. 120 or § 1.78(a) for a continued prosecution application for such continued prosecution application to contain the required specific reference to the prior application, as well as any other application assigned the application number of the prior application (*e.g.*, in instances in which a continued prosecution application is the last in a chain of continued prosecution applications).

Where an application claims a benefit under 35 U.S.C. 120 of a chain of applications, the application must make a reference to the first (earliest) application and every intermediate application. *See Sampson*, 463 F.2d at 1044–45, 174 USPQ at 418–19; *Sticker Indus. Supply Corp.*, 405 F.2d at 93, 160 USPQ at 179; *Hovlid* v. *Asari*, 305 F.2d 747, 751, 134 USPQ 162, 165 (9th Cir. 1962); *see also* MPEP 201.11. In addition, every intermediate application must also make a reference to the first (earliest) application and every application after the first application and before such intermediate application.

In the situation in which there is a chain of continued prosecution applications, each continued prosecution application in the chain will, by operation of § 1.53(d)(7), contain the required specific reference to its immediate prior application, as well as every other application assigned the application number identified in such request. Put simply, a specific reference to a continued prosecution application by application number and filing date will constitute a specific reference to: (1) The non-continued prosecution application originally assigned such application number (the prior application as to the first continued prosecution application in the chain); and (2) every continued prosecution application assigned the application number of such non-continued prosecution application.

Where the non-continued prosecution application originally assigned such application number itself claims the benefit of a prior application or applications under 35 U.S.C. 120, 121, or 365(c), § 1.78(a)(2) continues to require that such application contain in its first sentence a reference to any such prior application(s). As a continued prosecution application uses the specification of the prior application, such a specific reference in the prior application (as to the continued prosecution application) will constitute such a specific reference in the continued prosecution application, as well as every continued prosecution application in the event that there is a

Office records, could unwittingly subject himself to exactly this type of infringement suit unless the later application adequately put him on notice that the applicant was relying upon a filing date different from that stated in the later application.

Sampson v. *Ampex Corp.*, 463 F.2d 1042, 1045, 174 USPQ 417, 419 (2d Cir. 1972); *see also Sticker Indus. Supply Corp.* v. *Blaw-Knox Co.*, 405 F.2d 90, 93, 160 USPQ 177, 179 (7th Cir. 1968) ("Congress may well have thought specific reference under 35 U.S.C. 120 to the prior application. That is, the continued prosecution application includes the request for an application under § 1.53(d) (§ 1.53(d)(2)(iv)), and the recitation of the application number of the prior application in such request (as required by § 1.53(d)) is the "specific reference to the earlier filed application" required by 35 U.S.C. 120. No further amendment to the specification is required by 35 U.S.C. require that such application contain in its first sentence a reference to any such prior application(s). As a continued prosecution application uses the specification of the prior application, such a specific reference in the prior application (as to the continued prosecution application) will constitute such a specific reference in the continued prosecution application, as well as every continued prosecution application in the event that there is a

chain of continued prosecution applications.

Where an applicant in an application filed under § 1.53(b) seeks to claim the benefit of an application filed under § 1.53(d) under 35 U.S.C. 120 or 121 (as a continuation, divisional, or continuation-in-part), § 1.78(a)(2) requires a reference to the continued prosecution application by application number in the first sentence of such application. Section 1.78(a)(2) has been amended to also provide that "[t]he identification of an application by application number under this section is the specific reference required by 35 U.S.C. 120 to every application assigned that application number." Thus, where a referenced continued prosecution application is in a chain of continued prosecution applications, this reference will constitute a reference under 35 U.S.C. 120 and § 1.78(a)(2) to every continued prosecution application in the chain as well as the non-continued prosecution application originally assigned such application number.

Therefore, regardless of whether an application is filed under § 1.53(b) or (d), a claim under 35 U.S.C. 120 to the benefit of a continued prosecution application is, by operation of § 1.53(d)(7) and § 1.78(a)(2), a claim to every application assigned the application number of such continued prosecution application. In addition, applicants will not be permitted to choose to delete such a claim as to certain applications assigned that application number (*e.g.*, for patent term purposes).

Finally, while it is recognized that using a common application number (and file wrapper) for a continued prosecution application and its prior application (which may also be a continued prosecution application) will necessitate docketing modifications (as well as the Office's PALM system), the burden of such modifications is outweighed by the benefits that will result from the elimination of the initial processing of such applications.

Comment 24: One comment suggested that the phrase "now refiled" be used in lieu of "now abandoned" to reflect the status of the prior application.

Response: Under 35 U.S.C. 120, the status of an application is one of three conditions: (1) pending; (2) patented; or (3) abandoned. *See In re Morganroth*, 6 USPQ2d 1802, 1803 (Comm'r Pat. 1988). As the filing of a continued prosecution application under § 1.53(d) operates to expressly abandon the prior application under § 1.53(d)(2)(v), the status of the prior application is appropriately designated as "abandoned."

Comment 25: Several comments suggested that the proposed continued prosecution application practice be made applicable in instances in which the prior application was filed prior to June 8, 1995, to expedite the prosecution of such applications.

Response: Permitting the continued prosecution application practice to be applicable in instances in which the prior application was filed prior to June 8, 1995, would result in confusion as to whether the patent issuing from the continued prosecution application is entitled to the provisions of 35 U.S.C. 154(c). As the continued prosecution application practice was not in effect prior to June 8, 1995, no patent issuing from a continued prosecution application is entitled to the provisions of 35 U.S.C. 154(c).

As discussed *supra*, the application number of a continued prosecution application will be the application number of the prior application, and the filing date indicated on any patent issuing from a continued prosecution application will be the filing date of the prior application (or, in a chain of continued prosecution applications, the filing date of the application immediately preceding the first continued prosecution application in the chain). Thus, any patent issuing from a continued prosecution application, where the prior application was filed prior to June 8, 1995, will indicate that the filing date of the application for that patent was prior to June 8, 1995, which will confuse the public (and possible the patentee) into believing that such patent is entitled to the provisions of 35 U.S.C. 154(c).

The Office has implemented § 532(a)(2)(A) of Pub. L. 103–465 in § 1.129(a) to conclude the examination of applications pending at least two years as of June 8, 1995, taking into account any reference made in such application to any earlier filed application under 35 U.S.C. 120, 121, and 365(c). Further examination of any application may be obtained *via* the filing of a continuing application under § 1.53(b). Requiring applications filed prior to June 8, 1995, that are not eligible for the transitional procedure set forth in § 1.129(a) to obtain further examination *via* the filing of a continuing application under § 1.53(b) is a reasonable requirement to avoid confusion as to whether a patent issuing from a continued prosecution (§ 1.53(d)) application is entitled to the provisions of 35 U.S.C. 154(c).

Comment 26: One comment suggested that the phrase "most immediate prior national application" rather than "prior application" was confusing. The comment further stated that if the prior application was one filed under § 1.62, there is no copy in that complete application of the (oath or) declaration filed in the application under § 1.62.

Response: The phrase "most immediate prior national application for which priority is claimed under 35 U.S.C. 120, 121 or 365(c)" is changed to "prior application." An application under §§ 1.53(d), 1.60, or 1.62 must ultimately be a continuing application of an application filed under § 1.53(b). Where the prior application is an application under § 1.60, the oath or declaration is the copy of the oath or declaration from the prior application *vis-à-vis* the application under § 1.60 submitted in accordance with § 1.60(b)(2). Where the prior application is an application under §§ 1.62 or 1.53(d), the oath or declaration is the oath or declaration from the prior application *vis-à-vis* the application under §§ 1.62 or 1.53(d). Where there is a chain of applications under §§ 1.62 or 1.53(d) preceding the prior application to an application under § 1.53(d), the oath or declaration of the prior application will be the oath or declaration of the application under §§ 1.53 or 1.60 immediately preceding the chain of applications under §§ 1.62 or 1.53(d), as each application in the chain of applications under §§ 1.62 or 1.53(d) utilizes the oath or declaration of the prior application.

Comment 27: One comment suggested that applications filed under § 1.53(d) should be taken up as amended applications, rather than as newly filed applications.

Response: The comment implies that taking up a continued prosecution application as an amended application may result in the examiner acting on the application in a more timely manner than if the application were accounted for as a new application. The matter is under consideration along with other administrative issues, and a decision shall be made in due course.

Comment 28: One comment suggested that § 1.129(a) be amended so as not to be limited to applications under final rejection, such that an applicant in an application in which a notice of allowance under § 1.311 has been mailed may obtain entry of an information disclosure statement without regard to the requirements of § 1.97(d).

Response: The Notice of Proposed Rulemaking did not propose to amend § 1.129(a). While the language of § 532(a)(2)(A) of Pub. L. 103–465 does not expressly exclude the further examination of an application that has been allowed (as opposed to an

status of the prior application.

Response: Under 35 U.S.C. 120, the status of an application is one of three conditions: (1) pending; (2) patented; or (3) abandoned. *See In re Morganroth*, 6 USPQ2d 1802, 1803 (Comm'r Pat. 1988). As the filing of a continued prosecution application under § 1.53(d) operates to expressly abandon the prior application under § 1.53(d)(2)(v), the status of the prior application is appropriately designated as "abandoned."

set forth in § 1.129(a) to obtain further examination *via* the filing of a continuing application under § 1.53(b) is a reasonable requirement to avoid confusion as to whether a patent issuing from a continued prosecution (§ 1.53(d)) application is entitled to the provisions of 35 U.S.C. 154(c).

Comment 26: One comment suggested that the phrase "most immediate prior national application" rather than "prior application" was confusing. The

allowance under § 1.311 has been mailed may obtain entry of an information disclosure statement without regard to the requirements of § 1.97(d).

Response: The Notice of Proposed Rulemaking did not propose to amend § 1.129(a). While the language of § 532(a)(2)(A) of Pub. L. 103–465 does not expressly exclude the further examination of an application that has been allowed (as opposed to an

application under a final rejection), § 102(d) of Pub. L. 103-465 provides that "[t]he statement of administrative action approved by the Congress under section 101(a) shall be regarded as an authoritative expression by the United States concerning the interpretation and application of the Uruguay Round Agreements and this Act in any judicial proceeding in which a question arises concerning such interpretation or application." The statement of administrative action specifies that such further examination is to facilitate the completion of prosecution of applications pending before the Office, and to permit applicants to present a submission after the Office has issued a final rejection on an application. *See* H.R. Rep. 826(i), 103rd Cong., 2nd Sess. 1005-06, *reprinted* in 1984 U.S.C.C.A.N. 3773, 4298.

Upon mailing of a notice of allowance under § 1.311, prosecution of an application before the Office is concluded. The proposed amendment to obtain further examination pursuant to § 1.129(a) after allowance would nullify (rather than facilitate) the completion of prosecution of the above-identified application, and, as such, would be inconsistent with the purpose for the provisions of § 532(a)(2)(A) of Pub. L. 103-465.

Comment 29: One comment questioned how the filing of a continued prosecution application would result in less delay than the filing of a continuing application under § 1.53(b), as a continued prosecution application would be subject to pre-examination processing delays.

Response: The Office will not issue a new filing receipt for a continued prosecution application under § 1.53(d). *See* § 1.54(b). By not issuing a filing receipt for a continued prosecution application, the Office will be able to perform the pre-examination of any continued prosecution application in the examining group to which the prior application was assigned. Likewise, § 1.6(d) has been amended to permit an applicant to file a continued prosecution application under § 1.53(d) by facsimile, and the use of this means of filing a continued prosecution application will avoid the delay inherent in routing an application (or any paper) from the mailroom to the appropriate examining group. These provisions will enable the Office to process a continued prosecution application in the manner that a submission under § 1.129(a) is processed.

Comment 30: One comment questioned whether the filing date of a continued prosecution application is the filing date for determining patent term, or is significant only in establishing copendency. Another comment questioned what filing date was relevant for determining patent term.

Response: Notwithstanding that a continued prosecution application is assigned the application number of the prior application, the filing date of the continued prosecution application is the date on which the request for such continued prosecution application was filed (§ 1.53(d)). While the filing date of the continued prosecution application is relevant to establishing the copendency required by 35 U.S.C. 120 and § 1.78(a) between the continued prosecution application and the prior application, the filing date of a continued prosecution application will never be relevant to the term under 35 U.S.C. 154(b) of any patent issuing from the continued prosecution application.

Any continued prosecution application under § 1.53(d) will be filed on or after June 8, 1995, and will claim the benefit of an earlier application as a continuation or divisional application. Section 1.53(d)(7) specifically provides that:

> A request for an application under this paragraph is the specific reference required by 35 U.S.C. 120 to every application assigned the application number identified in such request. No amendment in an application under this paragraph shall delete this specific reference to any prior application.

Thus, an application under § 1.53(d) cannot be amended to delete the specific reference to the prior application, as well as the specific reference to any application to which the prior application contains a specific reference under 35 U.S.C. 120, 121, and 365(c). As an application under § 1.53(d) will also contain a specific reference to at least one other application under 35 U.S.C. 120, 121, and 365(c), the expiration date under 35 U.S.C. 154(b)(2) of any patent issuing from the application under § 1.53(d) will be based upon the filing date of the prior application (or the earliest application to which the prior application contains a specific reference under 35 U.S.C. 120, 121, and 365(c)).

Comment 31: One comment argued that the Office should address not only the filing requirements for continuing applications, but also the cause of the filing of continuing applications. The comment specifically argued that the current second action final practice should be reevaluated as an applicant no longer has an incentive to delay the prosecution of an application due to Pub. L. 103-465.

Response: The suggestion is being taken under advisement as part of a comprehensive effort by the Office to reengineer the entire patent process. However, it should be noted that any changes to the current second action final practice to provide additional examination of an application prior to a final Office action would necessitate a corresponding increase in patent fees.

Comment 32: One comment suggested that the Office simply eliminate the "true copy" requirement of § 1.60, rather than add new provisions permitting the use of a copy of the oath or declaration of a prior application. The comment also suggested that the Office simply amend § 1.62 to eliminate the requirement that the Office assign a new application number to the application, rather than add a new § 1.53(d).

Response: The amendments to § 1.53 do not simply make minor changes to §§ 1.60 and 1.62. Sections 1.60 and 1.62 are anachronisms that have outlived their usefulness. A significant number of applications filed under § 1.60 do not meet the requirements of § 1.60 (and, as such are improper), but would be proper under § 1.53 (in the absence of a reference to § 1.60). The elimination of § 1.60 will result in a reduction in the Office's burden in treating and the applicant's burden in correcting these improper applications under § 1.60, as such applications would generally have been proper applications if filed under § 1.53 (without a reference to § 1.60). Section 1.63(d) retains most of the benefits of § 1.60, but eliminates the filing "traps" of § 1.60.

Section 1.62 practice also causes problems concerning its prohibition against including a new or substitute specification, and its permitting the filing of a continuation-in-part. To avoid continued prosecution application practice under § 1.53(d) being confused with the former file-wrapper-continuation practice under § 1.62, the Office has deemed it advisable to use a new § 1.53(d) rather than § 1.62 in regard to continued prosecution application practice.

Comment 33: One comment stated that the Office should anticipate the filing of applications containing a reference to § 1.60 or § 1.62 for some period.

Response: That applications containing a reference to §§ 1.60 or 1.62 will continue to be filed has been anticipated. The treatment of such applications is discussed *infra* with respect to the elimination of §§ 1.60 and 1.62.

Comment 34: One comment stated that the safeguard in § 1.60 concerning

application will avoid the delay inherent in routing an application (or any paper) from the mailroom to the appropriate examining group. These provisions will enable the Office to process a continued prosecution application in the manner that a submission under § 1.129(a) is processed.

Comment 30: One comment questioned whether the filing date of a continued prosecution application is the filing date for determining patent term, or is significant only in establishing copendency. Another comment questioned what filing date was relevant for determining patent term.

Response: Notwithstanding that a continued prosecution application is assigned the application number of the prior application, the filing date of the continued prosecution application is the date on which the request for such continued prosecution application was filed (§ 1.53(d)). While the filing date of the continued prosecution application is relevant to establishing the copendency required by 35 U.S.C. 120 and § 1.78(a) between the continued prosecution application and the prior application, the filing date of a continued prosecution application will never be relevant to the term under 35 U.S.C. 154(b) of any patent issuing from the continued prosecution application.

Any continued prosecution application under § 1.53(d) will be filed on or after June 8, 1995, and will claim the benefit of an earlier application as a continuation or divisional application. Section 1.53(d)(7) specifically provides that:

> A request for an application under this paragraph is the specific reference required by 35 U.S.C. 120 to every application assigned the application number identified in such request. No amendment in an application under this paragraph shall delete this specific reference to any prior application.

Thus, an application under § 1.53(d) cannot be amended to delete the specific reference to the prior application, as well as the specific reference to any application to which the prior application contains a specific reference under 35 U.S.C. 120, 121, and 365(c). As an application under § 1.53(d) will also contain a specific reference to at least one other application under 35 U.S.C. 120, 121, and 365(c), the expiration date under 35 U.S.C. 154(b)(2) of any patent issuing from the application under § 1.53(d) will be based upon the filing date of the prior application (or the earliest application to which the prior application contains a specific reference under 35 U.S.C. 120, 121, and 365(c)).

Comment 31: One comment argued that the Office should address not only the filing requirements for continuing applications, but also the cause of the filing of continuing applications. The comment specifically argued that the current second action final practice should be reevaluated as an applicant no longer has an incentive to delay the prosecution of an application due to Pub. L. 103-465.

Response: The suggestion is being taken under advisement as part of a comprehensive effort by the Office to reengineer the entire patent process. However, it should be noted that any changes to the current second action final practice to provide additional examination of an application prior to a final Office action would necessitate a corresponding increase in patent fees.

Comment 32: One comment suggested that the Office simply eliminate the "true copy" requirement of § 1.60, rather than add new provisions permitting the use of a copy of the oath or declaration of a prior application. The comment also suggested that the Office simply amend § 1.62 to eliminate the requirement that the Office assign a new application number to the application, rather than add a new § 1.53(d).

Response: The amendments to § 1.53 do not simply make minor changes to §§ 1.60 and 1.62. Sections 1.60 and 1.62 are anachronisms that have outlived their usefulness. A significant number of applications filed under § 1.60 do not meet the requirements of § 1.60 (and, as such are improper), but would be proper under § 1.53 (in the absence of a reference to § 1.60). The elimination of § 1.60 will result in a reduction in the Office's burden in treating and the applicant's burden in correcting these improper applications under § 1.60, as such applications would generally have been proper applications if filed under § 1.53 (without a reference to § 1.60). Section 1.63(d) retains most of the benefits of § 1.60, but eliminates the filing "traps" of § 1.60.

Section 1.62 practice also causes problems concerning its prohibition against including a new or substitute specification, and its permitting the filing of a continuation-in-part. To avoid continued prosecution application practice under § 1.53(d) being confused with the former file-wrapper-continuation practice under § 1.62, the Office has deemed it advisable to use a new § 1.53(d) rather than § 1.62 in regard to continued prosecution application practice.

Comment 33: One comment stated that the Office should anticipate the filing of applications containing a reference to § 1.60 or § 1.62 for some period.

Response: That applications containing a reference to §§ 1.60 or 1.62 will continue to be filed has been anticipated. The treatment of such applications is discussed *infra* with respect to the elimination of §§ 1.60 and 1.62.

Comment 34: One comment stated that the safeguard in § 1.60 concerning

the filing of an application lacking all of the pages of specification or sheets of drawings of the prior application has not been retained in § 1.53(b). The comment suggested that § 1.53 contain a presumption that a continuation or divisional be presumed, absent evidence to the contrary, to be the filing of an application identical to the prior application.

Response: The Court of Customs and Patent Appeals (CCPA) has held that a mere reference to another application, patent, or publication is not an incorporation of anything therein into the application containing such reference. *See In re de Seversky*, 474 F.2d 671, 177 USPQ 144 (CCPA 1973); *see also Dart Industries* v. *Banner*, 636 F.2d 684, 207 USPQ 273 (CCPA 1980)(related decision). These decisions relied upon *In re Lund*, 376 F.2d 982, 153 USPQ 625 (CCPA 1967), which considered the incorporation by reference issue in the context of whether a prior art patent adequately incorporated by reference a prior application. The court, in Lund, specifically stated:

> There is little in the term "continuation-in-part" which would suggest to the reader of the patent that a disclosure of the nature of Example 2 is present in the earlier application and should be considered a part of the patent specification. Thus, we cannot agree that the subject matter of claim 3 is tacitly "described" in the Margerison patent within the meaning of § 102(e).

Id. at 989, 153 USPQ 631–32 (footnote discussing the definition of "continuation-in-part" as set forth in MPEP 201.08 omitted). While the holdings in *Dart Industries, de Seversky* and *Lund* appear to be based upon the definitions of the various categories of continuing applications set forth in the MPEP (and thus could be changed by a revision to the MPEP), the Office is not at this time inclined to disturb settled law in this area.

Nevertheless, an applicant may incorporate by reference the prior application by including, in the continuing application-as-filed, a statement that such specifically enumerated prior application or applications are "hereby incorporated herein by reference." The inclusion of this incorporation by reference of the prior application(s) will permit an applicant to amend the continuing application to include any subject matter in such prior application(s), without the need for a petition.

Section 1.54

Section 1.54(b) is amended to add the phrase "unless the application is an application filed under § 1.53(d)." To minimize application processing delays in applications filed under § 1.53(d), such applications will not be processed by the Office of Initial Patent Examination as new applications.

No comments were received regarding the proposed change to § 1.54.

Section 1.55

Section 1.55(a) is amended to remove the requirement that the statement be verified in accordance with the change to §§ 1.4(d)(2) and 10.18.

No comments were received regarding the proposed change to § 1.55.

Section 1.59

Section 1.59 is amended: (1) By revising the title to indicate that expungement of information from an application file would come under this section; (2) by revising the existing paragraph and designating it as paragraph (a)(1); and (3) by adding paragraphs (a)(2), (b) and (c). Section 1.59(a)(1) retains the general prohibition on the return of information submitted in an application, but no longer limits that prohibition to an application that has been accorded a filing date under § 1.53. The portion of the paragraph relating to the Office furnishing copies of application papers has been shifted to new paragraph (c). Section 1.59(a)(2) makes explicit that information, forming part of the original disclosure (*i.e.*, written specification including the claims, drawings, and any preliminary amendment specifically incorporated into an executed oath or declaration under §§ 1.63 and 1.175) will not be expunged from the application file.

Section 1.59(b) provides an exception to the general prohibition of paragraph (a) on the expungement and return of information and would allow for such when it is established to the satisfaction of the Commissioner that the requested expungement and return is appropriate. Section 1.59(b) covers the current practice set forth in MPEP 724.05 where information is submitted as part of an information disclosure statement and the submitted information has initially been identified as trade secret, proprietary, and/or subject to a protective order and where applicant may file a petition for its expungement and return that will be granted upon a determination by the examiner that the information is not material to patentability. Any such petition should be submitted in reply to an Office action closing prosecution so that the examiner can make a determination of materiality based on a closed record. Any petition submitted earlier than close of prosecution may be dismissed as premature or returned unacted upon. In the event pending legislation for pre-grant publication of applications, which provides public access to the application file, is enacted, then the timing of petition submissions under this section will be reconsidered.

Petitions to expunge were formerly considered under § 1.182, with the Office of Petitions consulting with the examiner on the materiality of the information at issue prior to rendering a decision. A possible result of the amendment to § 1.59 would be to have petitions under § 1.59 to expunge simply decided by the examiner who determines the materiality of the information.

Comment 35: One comment suggested that petitions to expunge under § 1.59 should be decided by Group Directors or officials in the Office of Petitions, rather than by examiners. The comment argued that any individual examiner would decide such a petition so rarely that it would be difficult to produce uniform and consistent decisions.

Response: The preamble has been amended to reflect that a possible result of the rule change is to have petitions under § 1.59 decided by the examiners. The heart of most petitions to expunge is a determination as to whether the material sought to be expunged is material to examination, a matter that is now referred to examiners prior to a decision on the petition. Given the major role examiners now play in expungement matters, it is not clear why examiners would be rendering inconsistent decisions, particularly as so many other matters are routinely assigned to examiners including petitions under § 1.48. Nevertheless, the comment is not germane to § 1.59 as proposed (or adopted), but concerns the internal Office delegation of such petitions for consideration. Moreover, a petition to expunge a part of the original disclosure would have to be filed under § 1.183 and would continue to be decided in the Office of Petitions.

Comment 36: A comment in requesting some examples of things that may be expunged asked whether a design code listing as an appendix in an application may be expunged.

Response: The standard set forth in paragraph (b) of § 1.59 permits information other than what is enumerated in paragraph (a) of the section to be expunged if it is established to the satisfaction of the Commissioner that the return of the information is appropriate. The types of information and rationales why the information may be returned are varied and will be evaluated on a case-by-case basis with the basic inquiry being whether the information is material to

herein by reference." The inclusion of this incorporation by reference of the prior application(s) will permit an applicant to amend the continuing application to include any subject matter in such prior application(s), without the need for a petition.

Section 1.54

Section 1.54(b) is amended to add the phrase "unless the application is an application filed under § 1.53(d)." To may file a petition for its expungement and return that will be granted upon a determination by the examiner that the information is not material to patentability. Any such petition should be submitted in reply to an Office action closing prosecution so that the examiner can make a determination of materiality based on a closed record. Any petition submitted earlier than close of prosecution may be dismissed as premature or returned unacted upon. In paragraph (b) of § 1.59 permits information other than what is enumerated in paragraph (a) of the section to be expunged if it is established to the satisfaction of the Commissioner that the return of the information is appropriate. The types of information and rationales why the information may be returned are varied and will be evaluated on a case-by-case basis with the basic inquiry being whether the information is material to

examination of the application. However, to the extent that an appendix to a specification of an application is considered part of the original disclosure it cannot be expunged from the file under § 1.59(a)(2).

Section 1.59(b) also covers information that was unintentionally submitted in an application, provided that: (1) The Office can effect such return prior to the issuance of any patent on the application in issue; (2) it is stated that the information submitted was unintentionally submitted and the failure to obtain its return would cause irreparable harm to the party who submitted the information or to the party in interest on whose behalf the information was submitted; (3) the information has not otherwise been made public; (4) there is a commitment on the part of the petitioner to retain such information for the period of any patent with regard to which such information is submitted; and (5) it is established to the satisfaction of the Commissioner that the information to be returned is not material information under § 1.56. A request to return information that has not been clearly identified as information that may be later subject to such a request by marking and placement in a separate sealed envelope or container shall be treated on a case-by-case basis. It should be noted that the Office intends to start electronic scanning of all papers filed in an application, and the practicality of expungement from the electronic file created by a scanning procedure is not as yet determinable. Applicants should also note that unidentified information that is a trade secret, proprietary, or subject to a protective order that is submitted in an Information Disclosure Statement may inadvertently be placed in an Office prior art search file by the examiner due to the lack of such identification and may not be retrievable.

Section 1.59(b) also covers the situation where an unintended heading has been placed on papers so that they are present in an incorrect application file. In such a situation, a petition should request return of the papers rather than transfer of the papers to the correct application file. The grant of such a petition will be governed by the factors enumerated above in regard to the unintentional submission of information. Where the Office can determine the correct application file that the papers were actually intended for, based on identifying information in the heading of the papers (*e.g.*, Application number, filing date, title of invention and inventor(s) name(s)), the Office will transfer the papers to the correct application file for which they were intended without the need of a petition.

Section 1.59(c) retains the practice that copies of application papers will be furnished by the Office upon request and payment of the cost for supplying such copies.

Section 1.60

Section 1.60 is removed and reserved.

Section 1.60 is now unnecessary due to the amendment to § 1.63(d) to expressly permit the filing in a continuation or divisional application using a copy of the oath or declaration filed in the prior application, and to provide (§ 1.63(d)(2)) for the filing of a continuation or divisional application by all or by fewer than all the inventors named in a prior application.

See comments relating to § 1.53.

Section 1.62

Section 1.62 is removed and reserved.

Section 1.62 is unnecessary due to the addition of § 1.53(d) to permit the filing of a continued prosecution application.

It is anticipated that applications purporting to be applications filed under §§ 1.60 or 1.62 will be filed until the deletion of §§ 1.60 and 1.62 become well known among patent practitioners. An application purporting to be an application filed under § 1.60 will simply be treated as a new application filed under § 1.53 (*i.e.*, the reference to § 1.60 will simply be ignored).

Applications purporting to be an application filed under § 1.62 will be treated as continued prosecution applications under § 1.53(d), and those applications that do not meet the requirements of § 1.53(d) (*e.g.*, continuation-in-part applications or continuations or divisional of applications filed before June 8, 1995) will be treated as improper continued prosecution applications under § 1.53(d). Such an improper application under § 1.53(d) may be accepted and treated as a proper application under § 1.53(b) by way of petition under § 1.53(e) (and submission of the $130 fee pursuant to § 1.17(i)).

A petition under § 1.53(e) to accept and treat an improper application under § 1.53(d) as a proper application under § 1.53(b) must include: (1) The $130 petition fee; (2) a true copy of the complete application designated as the prior application in the purported § 1.62 application papers; (3) any amendments entered in the prior application; and (4) any amendments submitted but not entered in the prior application and directed to be entered in the purported § 1.62 application papers. In an application purporting to be a continuation or divisional application under § 1.62, the true copy of the prior application will constitute the original disclosure of the application under § 1.53(b), and any amendments entered in the prior application or not entered in the prior application but directed to be entered in the purported § 1.62 application papers and submitted with the § 1.53(e) petition will be entered in the application under § 1.53(b) and considered by the examiner for new matter under 35 U.S.C. 112, ¶ 1, and 132. In an application purporting to be a continuation-in-part application under § 1.62, the true copy of the prior application, any amendments entered in the prior application or not entered in the prior application but directed to be entered in the purported § 1.62 application papers and submitted with the § 1.53(e) petition, and any preliminary amendment submitted with the purported § 1.62 application will constitute the original disclosure of the application under § 1.53(b).

See comments relating to § 1.53.

Section 1.63

Section 1.63(a)(3) is amended to require the post office address to appear in the oath or declaration and to have the requirement from § 1.41(a) for the full names of the inventors placed therein.

Comment 37: Two comments raised the issue regarding the continued requirement that both a post office address and a residence be supplied and indicated that the residence is not required by statute, the post office address is sufficient for communication purposes, and that the burden of submitting both far outweighs the infrequent need to contact any particular inventor bypassing counsel so that the residence alone should be sufficient.

Response: Under the proposed comment the applicants would still be required to submit either the residence or post office address. To request that they also supply the other or state that both are the same is not seen to be a significant burden as the information is to be supplied on the oath or declaration form that they must sign anyway and spaces can be provided to ensure that the information is supplied. While neither the residence nor the post office address are statutory requirements, the Office requires this information for the applicant's benefit. As more than one person may have the same name, a person's name is often not sufficient to provide a unique identification of the inventor. Thus, the Office also requires an inventor's residence (which is not required to be sufficiently detailed to

correct application file. The grant of such a petition will be governed by the factors enumerated above in regard to the unintentional submission of information. Where the Office can determine the correct application file that the papers were actually intended for, based on identifying information in the heading of the papers (*e.g.*, Application number, filing date, title of invention and inventor(s) name(s)), the Office will transfer the papers to the

§ 1.53(d) as a proper application under § 1.53(b) must include: (1) The $130 petition fee; (2) a true copy of the complete application designated as the prior application in the purported § 1.62 application papers; (3) any amendments entered in the prior application; and (4) any amendments submitted but not entered in the prior application and directed to be entered in the purported § 1.62 application papers. In an application purporting to be a

spaces can be provided to ensure that the information is supplied. While neither the residence nor the post office address are statutory requirements, the Office requires this information for the applicant's benefit. As more than one person may have the same name, a person's name is often not sufficient to provide a unique identification of the inventor. Thus, the Office also requires an inventor's residence (which is not required to be sufficiently detailed to

suffice as a post office address) to specifically identify the person(s) named in the oath or declaration as the inventor(s), which is a common practice for legal documents. The post office address is also required in the event that the Office finds it necessary to directly contact the inventor(s). It is not uncommon for an inventor to revoke a power of attorney or authorization of agent in a paper providing no address for future correspondence from the Office. Also, the Office will need to directly contact the inventor if the Office is notified of the death of a sole attorney or agent of record (MPEP 406).

Section 1.63(d) is amended to: (1) relocate its current language in a new § 1.63(e); and (2) provide that a newly executed oath or declaration is not required under § 1.51(b)(2) and 1.53(f) in a continuation or divisional application filed by all or by fewer than all of the inventors named in a prior nonprovisional application containing an oath or declaration as prescribed by § 1.63, provided that a copy of the executed oath or declaration filed in the prior application is submitted for the continuation or divisional application and the specification and drawings filed in the continuation or divisional application contain no matter that would have been new matter in the prior application. The copy of the oath or declaration must show the signature of the inventor(s) or contain an indication thereon that the oath or declaration was signed (*e.g.*, the notation "/s/" on the line provided for the signature).

A continuation or divisional application may be filed under 35 U.S.C. 111(a) using the procedures set forth in § 1.53(b), by providing either: (1) A copy of the prior application, including a copy of the oath or declaration in such prior application, as filed; or (2) a new specification and drawings and a copy of the oath or declaration as filed in the prior application so long as no matter is included in the new specification and drawings that would have been new matter in the prior application. The specification and drawings of a continuation or divisional application is not limited to a reproduction or "true copy" of the prior application, but may be revised for clarity or contextual purposes *vis-à-vis* the prior application in the manner that an applicant may file a substitute specification (§ 1.125) or amend the drawings of an application so long as it does not result in the introduction of new matter. Of course, 35 U.S.C. 115 requires that a supplemental oath or declaration meeting the requirements of § 1.63 be filed in the continuation or divisional application, if a claim is allowed in the continuation or divisional application which is drawn to subject matter originally shown or described in the prior application but not substantially embraced in the statement of the invention or claims originally presented in the prior application as filed. *See* § 1.67(b).

The patent statute and rules of practice do not require that an oath or declaration include a date of execution, and the Examining Corps has been directed not to object to an oath or declaration as lacking either a recent date of execution or any date of execution. The applicant's duty of candor and good faith including compliance with the duty of disclosure requirements of § 1.56 is continuous and applies to the continuing application.

A new application containing a copy of an oath or declaration under § 1.63 referring to an attached specification is indistinguishable from a continuation or divisional application containing a copy of an oath or declaration from a prior application submitted pursuant to § 1.63(d). Unless an application is submitted with a statement that the application is a continuation or divisional application (§ 1.78(a)(2)), the Office will process such application as a new non-continuing application. Applicants are advised to clearly designate any continuation or divisional application as such to avoid the issuance of a filing receipt that does not indicate that the application is a continuation or divisional.

To continue the practice in § 1.60(b)(4) of permitting the filing of a continuation or divisional application by all or by fewer than all of the inventors named in a prior application without a newly executed oath or declaration, new § 1.63(d)(2) provides that the copy of the oath or declaration submitted for a continuation or divisional application under § 1.63(d) must be accompanied by a statement from applicant, counsel for applicant or other authorized party requesting the deletion of the names of the person or persons who are not inventors in the continuation or divisional application. Where the continuation or divisional application and copy of the oath or declaration from the prior application is filed without a statement from an authorized party requesting deletion of the names of any person or persons named in the prior application, the continuation or divisional application will be treated as naming as inventors the person or persons named in the copy of the executed oath or declaration from the prior application. Accordingly, if a petition under § 1.48 (a) or (c) was granted in the prior application, an oath or declaration filed in a continuation or divisional application pursuant to § 1.63(d) should be the oath or declaration also executed by the added inventor(s). For situations where an inventor or inventors are to be added in a continuation or divisional application, see § 1.63(d)(5).

The statement requesting the deletion of the names of the person or persons who are not inventors in the continuation or divisional application must be signed by person(s) authorized pursuant to § 1.33(b) to sign an amendment in the continuation or divisional application.

Section 1.63(d)(3) provides for the situation in which the executed oath or declaration of which a copy is submitted for a continuation or divisional application was originally filed in a prior application accorded status under § 1.47. Section 1.63(d)(3)(i) requires a copy of any decision granting a petition to accord § 1.47 status to such application, unless each nonsigning inventor(s) or legal representative (pursuant to § 1.42 or 1.43) has filed an oath or declaration to join in an application of which the continuation or divisional application claims a benefit under 35 U.S.C. 120, 121 or 365(c). Where a nonsigning inventor or legal representative (pursuant to § 1.42 or 1.43) subsequently joins in any application of which the continuation or divisional application claims a benefit under 35 U.S.C. 120, 121 or 365(c), § 1.63(d)(3)(ii) also requires a copy of any oath or declaration filed by an inventor or legal representative to subsequently join in such application.

Section 1.63(d)(4) provides that where the power of attorney (or authorization of agent) or correspondence address was changed during the prosecution of the prior application, the change in power of attorney (or authorization of agent) or correspondence address must be identified in the continuation or divisional application, or the Office may not recognize in the continuation or divisional application the change of power of attorney (or authorization of agent) or correspondence address during the prosecution of the prior application.

A newly executed oath or declaration will continue to be required in a continuation or divisional application naming an inventor not named in the prior application, or a continuation-in-part application, and § 1.63(d)(5) expressly states that a newly executed oath or declaration must be filed in a continuation or divisional application naming an inventor not named in the prior application.

not limited to a reproduction or "true copy" of the prior application, but may be revised for clarity or contextual purposes *vis-à-vis* the prior application in the manner that an applicant may file a substitute specification (§ 1.125) or amend the drawings of an application so long as it does not result in the introduction of new matter. Of course, 35 U.S.C. 115 requires that a supplemental oath or declaration meeting the requirements of § 1.63 be

Where the continuation or divisional application and copy of the oath or declaration from the prior application is filed without a statement from an authorized party requesting deletion of the names of any person or persons named in the prior application, the continuation or divisional application will be treated as naming as inventors the person or persons named in the copy of the executed oath or declaration from the prior application. Accordingly,

the prosecution of the prior application.

A newly executed oath or declaration will continue to be required in a continuation or divisional application naming an inventor not named in the prior application, or a continuation-in-part application, and § 1.63(d)(5) expressly states that a newly executed oath or declaration must be filed in a continuation or divisional application naming an inventor not named in the prior application.

New § 1.63(e) provides that a newly executed oath or declaration must be filed in a continuation-in-part application, which application may name all, more, or fewer than all of the inventors named in the prior application, and includes the language relocated from former § 1.63(d) concerning an oath or declaration in a continuation-in-part application.

Comment 38: One comment suggested that the practice of permitting the use of an executed oath or declaration of a prior application creates a trap for the unwary in the situation in which an applicant believes in error that no new matter has been added in the "continuation" application and does not file a new declaration.

Response: The situation outlined in the comment is less of a trap for the unwary than the situation in which an applicant files a substitute specification and believes in error that no new matter has been added, in that the error in the "continuation" may be corrected by redesignation of the application as a continuation-in-part and the filing of a new oath or declaration. Nevertheless, it remains the applicant's responsibility to review any substitute specification or new specification submitted for a continuation application to determine that it contains no new matter. *See* MPEP 608.01(q). An applicant is advised to simply file a continuing application with a newly executed oath or declaration when it is questionable as to whether the continuing application adds material that would have been new matter if presented in the prior application.

Comment 39: One comment suggested that the option of submitting "a copy of an unexecuted oath or declaration, and a statement that the copy is a true copy of the oath or declaration that was subsequently executed and filed to complete * * * the most immediate prior national application for which priority is claimed under 35 U.S.C. 120, 121 or 365(c)" was strange at best as the applicant or representative should have a copy of the oath or declaration that was filed to complete the prior application or could obtain one from Office records.

Response: The suggestion is adopted. Section 1.63(d) as adopted provides that: "[a] newly executed oath or declaration is not required under § 1.51(b)(2) and § 1.53(f) in a continuation or divisional application filed by all or by fewer than all of the inventors named in a prior nonprovisional application containing an oath or declaration as prescribed by paragraphs (a) through (c) of this section, provided that a copy of the executed oath or declaration filed in the prior application is submitted for the continuation or divisional application."

Comment 40: One comment questioned whether § 1.53 (or § 1.63) is consistent with § 1.48 as to whether the oath or declaration filed in a continuing application adding an inventor must be executed by all of the inventors, or just the added inventor.

Response: The oath or declaration filed in a continuing application adding an inventor or a continuation-in-part application must name and be executed by all of the inventors. Sections 1.48 and 1.63(e) are consistent in this regard.

Comment 41: One comment questioned whether, in a continuation or divisional application following a chain of continuation or divisional applications, the copy of the executed oath or declaration may be a copy of the oath or declaration filed in the immediate prior application (which may itself be a copy of an oath or declaration from a prior application), or must be a direct copy of the originally executed oath or declaration.

Response: Section 1.63(d) requires a copy of the oath or declaration from the prior application. In instances in which the oath or declaration filed in the prior application is itself a copy of an oath or declaration from a prior application, either a copy of the copy of the oath or declaration in the prior application or a direct copy of the original oath or declaration is acceptable, as both are a copy of the oath or declaration in the prior application. *See* § 1.4(d)(1)(ii).

Section 1.67

Section 1.67 paragraph (b) is amended to change "§ 1.53(d)(1)" to "§ 1.53(f)" for consistency with § 1.53.

No comments were received regarding § 1.67.

Section 1.69

Section 1.69(b) is amended to remove the requirement that the translation be verified in accordance with the change to §§ 1.4(d)(2) and 10.18. Section 1.69(b) is also amended to clarify the need for a statement that the translation being offered is an accurate translation, as in § 1.52 paragraphs (a) and (d).

Two comments were received in regard to § 1.69 that also raised similar issues in regard to § 1.52, which comments are treated with § 1.52.

Section 1.78

Section 1.78(a)(1) is amended to remove the references to §§ 1.60 and 1.62 in view of the deletion of §§ 1.60 and 1.62, and to include a reference to an "international application entitled to a filing date in accordance with PCT Article 11 and designating the United States of America." Section 1.78(a)(2) is amended for consistency with the changes to § 1.53, and to provide that "[t]he identification of an application by application number under this section is the specific reference required by 35 U.S.C. 120 to every application assigned that application number."

No comments were received regarding the proposed change to § 1.78.

Section 1.84

Section 1.84(b) is amended by removing references to the filing of black and white photographs in design applications as unnecessary in view of the reference in § 1.152 to § 1.84(b). Section 1.84 paragraphs (c) and (g) are amended for consistency in regard to the English equivalents (5/8 inch.) for 1.5 cm.

No adverse comments were received regarding the proposed change to § 1.84.

Section 1.91

The title of § 1.91 is amended to clarify that a certain type of material is not generally admitted in the file record by substitution of "admitted" for "required."

Section 1.91 is also amended to clarify the type of material that is not generally admitted into the file record of an application. Section 1.91(a) specifically requires a petition (with the fee set forth in § 1.17(i)) including an appropriate showing why entry of the model or exhibit into the file record is necessary to demonstrate patentability, unless the model or exhibit: (1) substantially conforms with § 1.52 or § 1.84; or (2) was required by the Office.

Section 1.91 is also amended to state that a model, working model or other physical exhibit, whose submission by applicants is generally not permitted, may be required by the Office if deemed necessary for any purpose in the examination of the application. This language is moved from § 1.92.

Comment 42: Several adverse comments were received expressing concern that the addition of the term "exhibits" to the bar against admission of models, unless specifically required by the Office, would prevent applicants from making their best possible case for patentability, and that exhibits would be interpreted by the Office as barring two-dimensional as well as three-dimensional exhibits.

Response: The preamble of the proposed rule indicated that the change to the rule is in the nature of a clarification and not a change in practice. Further clarification has been added to the rule by reference to § 1.52

Response: The suggestion is adopted. Section 1.63(d) as adopted provides that: "[a] newly executed oath or declaration is not required under § 1.51(b)(2) and § 1.53(f) in a continuation or divisional application filed by all or by fewer than all of the inventors named in a prior nonprovisional application containing an oath or declaration as prescribed by paragraphs (a) through (c) of this section, provided that a copy of the

Two comments were received in regard to § 1.69 that also raised similar issues in regard to § 1.52, which comments are treated with § 1.52.

Section 1.78

Section 1.78(a)(1) is amended to remove the references to §§ 1.60 and 1.62 in view of the deletion of §§ 1.60 and 1.62, and to include a reference to an "international application entitled to a filing date in accordance with PCT

by the Office, would prevent applicants from making their best possible case for patentability, and that exhibits would be interpreted by the Office as barring two-dimensional as well as three-dimensional exhibits.

Response: The preamble of the proposed rule indicated that the change to the rule is in the nature of a clarification and not a change in practice. Further clarification has been added to the rule by reference to § 1.52

or § 1.84 and to the instant discussion of the rule to indicate that the use of the term "exhibits" is in the nature of other three-dimensional models, such as videos, and will not bar two-dimensional exhibits currently being accepted. Additionally, a petition route has been added to the rule that would permit entry of three-dimensional models or exhibits where they are necessary to establish patentability. Section 1.91 is also amended to expressly provide for the filing of a petition thereunder (rather than to require the filing of a petition under § 1.183) such that an applicant may gain entry of a model or exhibit, without a showing of an extraordinary situation where justice requires grant of the relief sought.

The fact that a three-dimensional model or exhibit will not generally be entered in the record absent an appropriate showing does not prevent an applicant from showing the exhibit to the examiner for purposes of clarifying the examiner's understanding of the invention and reducing the model or exhibit to two-dimensional conformance with § 1.52 or § 1.84 for entry of that reduction to the record (which issues are separate and distinct from the questions as to whether the later presented material was originally required for an understanding of the invention and its subsequent addition being subject to a new matter objection under 35 U.S.C. 132).

Due to the unusual difficulties of storage for three-dimensional materials and little demonstrated need for their presence in the file record over what would be provided for *via* petition under § 1.91, it is not seen to be appropriate to permit unrestricted entry of three-dimensional exhibits in the file record.

Section 1.92

Section 1.92 is removed and reserved and the language transferred to § 1.91(b) for improved contextual purposes.

No comments were received regarding the proposed change to § 1.92.

Section 1.97

Sections 1.97 (c) through (e) are amended by replacement of "certification" by "statement" (see comments relating to § 1.4(d)), and by clarifying the current use of "statement" by the terms "information disclosure."

Section 1.97(e)(2) is further amended to replace "or" by "and" to require that no item of information contained in the information disclosure statement was cited in a communication from a foreign patent office in a counterpart foreign application, and, to the knowledge of the person signing the statement, after making reasonable inquiry, no item of information contained in the information disclosure was known to any individual designated in § 1.56(c) more than three months prior to the filing of the information disclosure statement. The use of "and" rather than "or" is in keeping with the intent of the rule as expressed in the MPEP 609(B)(2)(ii), that the conjunction be conjunctive rather than disjunctive. The mere absence of an item of information from a foreign patent office communication was clearly not intended to represent an opportunity to delay the submission of the item when known more than three months prior to the filing of an information disclosure statement to an individual having a duty of disclosure under § 1.56.

No comments were received regarding the proposed change to § 1.97.

Section 1.101

Section 1.101 is removed and reserved as relating to internal Office instructions.

Comment 43: A number of comments opposed the deletion of the rules that solely govern Office procedure. The reasons given for this opposition are: (1) The Office should subject its procedures to the notice and comment provisions of the Administrative Procedure Act (APA); (2) the inclusion of such procedures in the rules of practice imparts the force and effect of law to such procedures; (3) the greater deference given to procedures set forth in the rules of practice, rather than the MPEP, during court action.

Response: The CCPA has held that applicants before the Office are entitled to rely not only on the patent statute and rules of practice, but on the provisions of the MPEP, during the prosecution of an application for patent. *See In re Kaghan,* 387 F.2d 398, 401, 156 USPQ 130, 132 (CCPA 1967). Thus, there is in practice little, if any, benefit to applicants before the Office in having the Office procedure set forth in the rules of practice, rather than the MPEP. In any event, no comment pointed to any specific decision, and the Office is not aware of any decision, in which the result turned on the inclusion of Office procedure in the rules of practice (rather than simply in the MPEP).

Nevertheless, in view of the concern expressed in the comments as to the rules of practice setting forth the fundamentals of the examination of an application, the Office will retain the substance of §§ 1.104 and 1.105 in the rules of practice. *See In re Phillips,* 608 F.2d 879, 883 n.6, 203 USPQ 971, 974 n.6 (CCPA 1979) (although irrelevant to the result, the Office was criticized for piecemeal examination contrary to §§ 1.104 and 1.105). The substance of §§ 1.104, 1.105, 1.106, 1.107, and 1.109, however, will be combined into § 1.104 paragraphs (a)–(e).

The Office will also retain § 1.351 in the rules of practice, as it has been relied upon as the notice that the Office will provide concerning changes to the rules of practice in 37 CFR Part 1. *See In re Nielson,* 816 F.2d 1567, 1571, 2 USPQ2d 1525, 1527 (Fed. Cir. 1987). Finally, the Office will retain § 1.181 paragraphs (d), (e), and (g) to avoid confusing petition practice, and § 1.325 to avoid confusion as to the requirements for correction of a patent.

The Office, however, will delete §§ 1.101, 1.108, 1.122, 1.184, 1.318, and 1.352 from 37 CFR Part 1. The procedures set forth in §§ 1.101, 1.122, 1.184, and 1.318 do not provide meaningful safeguards to applicants (*e.g.,* § 1.101 does not ensure or give an applicant the right to examination of an application within any reasonably specific time frame). The proscription in § 1.108 is simply an administrative instruction based upon the fact that, unless otherwise publicly available, abandoned applications do not constitute prior art under 35 U.S.C. 102 (and thus 103). Finally, as former § 1.352 included a "whenever required by law" prerequisite, it provided no independent requirement that the Office publish proposed rule changes for comment.

Section 1.102

Section 1.102(a) is amended to remove the requirement that the showing be verified in accordance with the change to §§ 1.4(d)(2) and 10.18.

No comments were received regarding the proposed change to § 1.102.

Section 1.103

Section 1.103(a) is amended by replacement of "response" with "reply" in accordance with the change to § 1.111.

No comments were received regarding the proposed change to § 1.103.

Section 1.104

Section 1.104 is amended to include paragraphs (a) through (e) including the substance of former §§ 1.104, 1.105, 1.106, 1.107, and 1.109. The re-writing of §§ 1.104, 1.105, 1.106, 1.107, and 1.109 as § 1.104 (a) through (e) involves no change in substance.

See comment relating to § 1.101.

amended by replacement of "certification" by "statement" (see comments relating to § 1.4(d)), and by clarifying the current use of "statement" by the terms "information disclosure."

Section 1.97(e)(2) is further amended to replace "or" by "and" to require that no item of information contained in the information disclosure statement was cited in a communication from a foreign patent office in a counterpart foreign application, and, to the knowledge of result turned on the inclusion of Office procedure in the rules of practice (rather than simply in the MPEP).

Nevertheless, in view of the concern expressed in the comments as to the rules of practice setting forth the fundamentals of the examination of an application, the Office will retain the substance of §§ 1.104 and 1.105 in the rules of practice. *See In re Phillips,* 608 F.2d 879, 883 n.6, 203 USPQ 971, 974 n.6 (CCPA 1979) (although irrelevant to

No comments were received regarding the proposed change to § 1.103.

Section 1.104

Section 1.104 is amended to include paragraphs (a) through (e) including the substance of former §§ 1.104, 1.105, 1.106, 1.107, and 1.109. The re-writing of §§ 1.104, 1.105, 1.106, 1.107, and 1.109 as § 1.104 (a) through (e) involves no change in substance.

See comment relating to § 1.101.

Section 1.105

Section 1.105 is removed and reserved as the subject matter was transferred to § 1.104(b).

See comment relating to § 1.101.

Section 1.106

Section 1.106 is removed and reserved as the subject matter was transferred to § 1.104(c).

See comment relating to § 1.101.

Section 1.107

Section 1.107 is removed and reserved as the subject matter was transferred to § 1.104(d).

See comment relating to § 1.101.

Section 1.108

Section 1.108 is removed and reserved as relating to internal Office instructions.

See comment relating to § 1.101.

Section 1.109

Section 1.109 is removed and reserved as the subject matter was transferred to § 1.104(e).

See comment relating to § 1.101.

Section 1.111

Section 1.111 is amended to consistently refer to a "reply" to an Office action. The prior section used the term "response" and "reply" in an inconsistent manner and created some confusion. Paragraph (b) of § 1.111 is also amended to explicitly recognize that a reply must be reduced to a writing which must point out the specific distinctions believed to render the claims, including any newly presented claims, patentable. It is noted that an examiner's amendment reducing a telephone interview to writing would comply with § 1.2.

Comment 44: One comment asked whether pointing out one distinction is sufficient or must applicant provide an exhaustive list of all distinctions. Additionally, inquiry is made as to whether it is sufficient to point out the impropriety of a rejection under 35 U.S.C. 102 that should have been a rejection under 35 U.S.C. 103, or must a rejection under 35 U.S.C. 103 be anticipated and answered.

Response: A distinction should be kept in mind between what is necessary for a reply to be considered sufficient to continue prosecution of the application and what will advance the application to issuance in the most efficient manner. While pointing out only one distinction, such as why a rejection under 35 U.S.C. 102 is inappropriate, would comply with the requirements of § 1.111, advancement of the prosecution of the application would best be served by pointing out all possible distinctions, so that if the argument for one distinction is not persuasive, another may be. Similarly, anticipation of and argument against a rejection under 35 U.S.C. 103 where a rejection under 35 U.S.C. 102 should have been made under 35 U.S.C. 103 could possibly prevent making of the rejection under 35 U.S.C. 103 by the examiner and an earlier issuance of the application thereby preserving patent term under 35 U.S.C. 154 as amended by Pub. L. 103-465.

Comment 45: Three comments pointed to instances where a reply would not necessarily require that distinctions be pointed out, such as: (1) where context and arguments presented make the distinctions clear beyond doubt; (2) where a *prima facie* case has not been established or motivation for modification of a reference is lacking; (3) a secondary reference is from a nonanalogous art improperly combined; or (4) no reference has been applied.

Response: The comment has been adopted to the extent that the paragraph (b) of the rule has been amended to refer to "any" rather than "the" applied references. Any argument that would make the distinctions clear beyond doubt would seem to require identification of the distinctions therein. Where a reply contains an argument that motivation for a modification of a reference made by an examiner does not exist, or that a nonanalogous secondary reference has been improperly combined, the identification of the claim element involved and the particular factual basis that makes the modification or combination relating to that claim element inappropriate are necessary elements of a reply. That an applicant considers a rejection, objection, or other requirement in an Office action to be inappropriate does not relieve the applicant of the burden under 35 U.S.C. 133 of prosecuting the application to avoid abandonment.

Comment 46: A comment suggested that the requirement for supplying claim distinctions for a newly presented claim is at odds with the Office's burden in the first instance of explaining any objection or rejection of an applicant's claim, and that the existing requirement that an applicant distinctly and specifically point out the errors in the examiner's action and reply to every ground of objection and rejection are sufficient without the added language. Another comment noted that it is believed that the rule already requires that specific distinctions be supplied and questions what new requirements are being added by that additional language.

Response: To the extent that the already existing language would require that claim distinctions be presented, the added language is seen to clarify what is required of an applicant in replying to an Office action and is not seen to be at odds with the Office's burden in first going forward with a rejection of the claims. Once a claim is rejected, there is a duty on applicants under § 1.111 to provide an appropriate reply as defined therein for applicant to be entitled to reconsideration or further examination.

Section 1.112

Section 1.112 is amended to remove as unnecessary the statement that "any amendments after a second Office action must ordinarily be restricted to the rejection, objections or requirements made in the office action" to reflect actual practice, in which amendments after the second action need not be restricted to the rejection or the objections or requirements set forth in an Office action. The heading of § 1.112 is also amended to add "before final action" to clarify that such reconsideration does not apply after a final Office action.

No comments were received regarding the proposed change to § 1.112.

Section 1.113

Section 1.113(a) is amended to add "by the examiner" after "examination or consideration," change "objections to form" to "objections as to form" for clarity, and replace "response" with "reply" in accordance with the change to § 1.111.

Section 1.113(b) is amended to change "clearly stating the reasons therefor" to "clearly stating the reasons in support thereof" for clarity.

Comment 47: A number of comments argued that first action final practice should be eliminated without regard to an amendment to § 1.116 as: (1) 35 U.S.C. 132 does not authorize first action final practice; and (2) the filing fee paid in a continuing application should entitle an applicant to an examination and reexamination in the continuing application.

Response: The argument that 35 U.S.C. 132 does not authorize first action final practice has been considered by the Office and rejected in *In re Bogese,* 22 USPQ2d 1821 (Comm'r Pat. 1992). Specifically, continuing applications have historically been considered part of a continuous proceeding in regard to the prior application. *Id.* at 1827. First action final practice denies an applicant the delay inherent in an additional Office action in a continuation application, thus compelling the applicant to draft

Response: A distinction should be kept in mind between what is necessary for a reply to be considered sufficient to continue prosecution of the application and what will advance the application to issuance in the most efficient manner. While pointing out only one distinction, such as why a rejection under 35 U.S.C. 102 is inappropriate, would comply with the requirements of § 1.111, advancement of the prosecution of the application would best be served by claim, and that the existing requirement that an applicant distinctly and specifically point out the errors in the examiner's action and reply to every ground of objection and rejection are sufficient without the added language. Another comment noted that it is believed that the rule already requires that specific distinctions be supplied and questions what new requirements are being added by that additional language.

action final practice has been considered by the Office and rejected in *In re Bogese,* 22 USPQ2d 1821 (Comm'r Pat. 1992). Specifically, continuing applications have historically been considered part of a continuous proceeding in regard to the prior application. *Id.* at 1827. First action final practice denies an applicant the delay inherent in an additional Office action in a continuation application, thus compelling the applicant to draft

claims in a continuation application in view of the prosecution history of the parent application (*i.e.*, the rejections and prior art of record in the parent application), and thus make a *bona fide* effort to define the issues for appeal or allowance. *Id.* at 1824–25.

In addition, under the current patent fee structure, a significant portion of the Office's costs of examining patent applications is recovered through issue and maintenance fees. That is, the filing fees required by 35 U.S.C. 41(a) (1)–(4) and § 1.16 for an application do not cover the Office's full costs of examining that application pursuant to 35 U.S.C. 131 and 132. Therefore, the argument that first action final practice is inherently unfair in view of the filing fees paid by the applicant fails to appreciate the current patent fee structure.

Due to the overwhelming opposition to the proposed changes to § 1.116 to simplify after final practice, the proposed change to § 1.113 to eliminate first action final practice and the proposed changes to § 1.116 to simplify after final practice are not adopted in this Final Rule. The Office will give further consideration to the elimination of first action final practice.

Comment 48: One comment suggested that § 1.113 should be clarified to reflect the intent of the rule change that a first action final rejection not issue in a continuation application.

Response: The proposed change to § 1.113 to prohibit a first action final rejection is not being adopted.

Section 1.115

Section 1.115 has been removed and reserved, rather than amended to contain the material of former §§ 1.117 through 1.118, 1.123 and 1.124. The subject matter proposed to be included in § 1.115 has been transferred to § 1.121. The change does not constitute a change in substance; the material of the deleted sections has simply been rearranged and edited for clarity and contextual purposes in § 1.121. The reference in § 1.115(b)(2) relating to the rejection of claims containing new matter has not been retained in § 1.121 as unnecessary.

Comment 49: One comment recognizing that the subject matter of § 1.118 is transferred to § 1.115 (now § 1.121) noted that the particular material of the second and third sentences of paragraph (a) of § 1.118(a) was not so transferred and should be.

Response: While the exact language of the second and third sentences of paragraph (a) of § 1.118 was not transferred to 1.121 (§ 1.115 as originally proposed), the concept is retained in § 1.121, paragraphs (a)(6), (b)(5), and (c)(1), in condensed form.

Comment 50: One comment objected to the requirement of paragraph (d) of § 1.115 (now § 1.121) where a disclosure must be amended to secure correspondence between the claims, the specification and the drawings. Forcing the specification to parrot the language of new claims, where only new claims originally use a term not found in the original disclosure and in the original claims, is said to impose an undue burden on applicant and jeopardize the validity of all the claims if the new term is found to be new matter.

Response: The comment does not explain why a specification containing a later added expression subsequently found to contain new matter will adversely affect claims that do not contain that expression, particularly if a portion of the specification is retained that provides support for claims not containing that expression. Additionally, the requirement being criticized is not a new requirement but was material transferred from § 1.117. However, the comment was adopted in-part in that § 1.121, paragraphs (a)(5) and (b)(4), require only "substantial correspondence" between the claims, the remainder of the specification, and the drawings.

Comment 51: One comment suggested that the term "sketch" in paragraph (e) of § 1.115 (now § 1.121) be broadened to "drawing."

Response: Sections 1.121(a)(3)(ii) and 1.121(b)(3)(ii) recite sketch, which has been interpreted by the Office to include a copy. The use of sketch is seen to be the broader term in allowing a handwritten alteration of a copy of the previously submitted drawing to be done without the need for a color copy being obtained.

Comment 52: One comment suggested that paragraph (f) of § 1.115 (now § 1.121), requiring no interlineations to appear in a clause as finally presented, is inconsistent with the requirements of § 1.121 requiring brackets and underlining of the subject matter deleted and added.

Response: The comment was adopted by clarifying § 1.121(a)(iii) as adopted by reciting that the interlineation prohibition relates to previous amendments being depicted in a subsequent amendment, and to limit its applicability to applications other than reissue applications (thereby also excluding reexamination proceedings) in that all changes from the patent are required to be shown in reissue applications and reexamination proceedings.

Section 1.116

Section 1.116 is amended by adding the phrase "or appeal" to its heading. This change clarifies the current practice that paragraphs (b) and (c) apply to amendments filed after an appeal, regardless of whether the application was subject to a final rejection prior to the appeal.

Section 1.116(a) is also amended for clarity to limit amendments after a final rejection or other final action (§ 1.113) to those amendments cancelling claims or complying with any requirement of form set forth in a previous Office action, and replaces the phrase "any proceedings relative thereto" with "any related proceedings" for clarity. The amendment does not represent a change in practice under § 1.116(a) as was originally proposed, but merely a clarification of when an applicant is entitled to entry of an amendment under § 1.116(a).

Comment 53: Almost every comment relating to the proposed change to § 1.116 to limit entry of amendments after a final Office action based on simplification of issues for appeal opposed the change. The various rationales included: (1) A liberal practice by examiners in entering amendments after final rejection based on a willingness to engage in significant negotiations after final rejection; (2) an increased burden on the Board of Patent Appeals and Interferences (Board); (3) a loss of potential patent term under 35 U.S.C. 154 if refiling an application was routinely required; (4) a loss of clarity by applicant and the examiner of the issues involved, in that it is frequently only after the second action that the issues become clarified, particularly as counsel are not aware of the art that may actually be applied against the claims and therefore do not submit claims that can read over such art; (5) to the extent the need to enter amendments causes refiling of an application, greater resources from the Office are required as opposed to simply entering the amendment in the prior application; (6) there will be an increase in the requests for interviews after first action; (7) the change represents encouragement for examiners to cut down on papers entered particularly in view of the crediting system; and (8) the proposal is not helpful to applicant and is only a revenue generator.

Several alternative suggestions were made including: (1) A fee to have amendments after final entered as a matter of right; (2) discretion for examiners to enter any amendment should be explicitly stated in the rule; (3) consider substantive amendments if

Comment 49: One comment recognizing that the subject matter of § 1.118 is transferred to § 1.115 (now § 1.121) noted that the particular material of the second and third sentences of paragraph (a) of § 1.118(a) was not so transferred and should be.

Response: While the exact language of the second and third sentences of paragraph (a) of § 1.118 was not transferred to 1.121 (§ 1.115 as originally proposed), the concept is by clarifying § 1.121(a)(iii) as adopted by reciting that the interlineation prohibition relates to previous amendments being depicted in a subsequent amendment, and to limit its applicability to applications other than reissue applications (thereby also excluding reexamination proceedings) in that all changes from the patent are required to be shown in reissue applications and reexamination proceedings.

examiners to cut down on papers entered particularly in view of the crediting system; and (8) the proposal is not helpful to applicant and is only a revenue generator.

Several alternative suggestions were made including: (1) A fee to have amendments after final entered as a matter of right; (2) discretion for examiners to enter any amendment should be explicitly stated in the rule; (3) consider substantive amendments if

submitted at least one month in advance of the end of the reply period; (4) eliminate applicant's concern for expedited handling of § 1.116 amendments by having a new period for appealing or refiling; (5) entry of amendment to solely correct rejections under 35 U.S.C. 112, ¶ 2, should be permitted; (6) first after final submission permitted entry under simplification of issues standard and any subsequent submission would only be permitted under standard as proposed without simplification of issues available; (7) merging of a dependent claim into an independent claim ought to be explicitly permitted as a matter of right; (8) provide a standard of entry dependent upon good and sufficient reason as to why the amendment after final was not made earlier; (9) permit consideration of the amendment for allowable subject matter to save applicant cost of refiling for such determination; and (10) change should be linked with a prohibition on applying a new reference in a final rejection.

Response: In view of the issues raised and the alternative suggestions presented, it has been determined that further study is required. The comments have been adopted *solely* to the extent that the proposed change to delete simplification of issues for purpose of appeal, as a basis for entry of an amendment after final rejection, will not be implemented at this time.

Section 1.117

Section 1.117 is removed and reserved as the subject matter was transferred to § 1.121.

No comments were received regarding the proposed change to § 1.117.

Section 1.118

Section 1.118 is removed and reserved and its subject matter transferred to § 1.121.

See first comment related to § 1.115.

Section 1.119

Section 1.119 is removed and reserved as duplicative of the provisions of §§ 1.111 and 1.121.

No comments were received regarding the proposed change to § 1.119.

Section 1.121

Section 1.121, paragraphs (a) through (f), are replaced with paragraphs (a) through (c), which separately treat amendments in non-reissue nonprovisional applications (paragraph (a)), amendments in reissue applications (paragraph (b)), and amendments in reexamination proceedings (paragraph (c)). The intent of the changes is to retain amendment practice in regard to non-reissue applications prior to the changes proposed in the Notice of Proposed Rulemaking and to make final the changes in amendment practice in regard to reissue applications proposed in the Notice of Proposed Rulemaking, except for requiring copies of all claims as of the date of submission of an amendment and a constructive cancellation in their absence. Additionally, while retaining the previous amendment practice in non-reissue applications, the regulations have been clarified by deletion of §§ 1.115, 1.117 through 1.118, 1.123, and 1.124 and placement of subject matter thereof in § 1.121.

Comment 54: Most comments received on the proposed change in amendment practice as it relates to non-reissue applications to bring it into line with reissue and reexamination amendment practices were very negative. In particular, the proposed changes to present a complete copy of the claims when any amendment to the claims is made, and to hold a constructive cancellation for any claim copy not presented were alarming. However, similar comments were not received in regard to the proposed changes to bring reissue and reexamination practice closer together.

Response: The comments were adopted in that the proposed changes, other than clarifications of current practice, will not be implemented now and further study will be undertaken to include suggestions presented in regard to this rule.

Comment 55: Several comments offered suggestions and requested clarifications: (1) Whether this was an attempt to push the practice closer to PCT where substitute pages are used; (2) use of different markings such as strikeouts of word processors; (3) only require complete copy of claims at issue; (4) only have a status listing of all claims not complete copy with each response; (5) continuations or divisions should be filed showing markups; (6) require only that new claims pages be substituted; (7) objection to the submission of a separate complete set of claims in addition to the amendments being made; (8) some instances separate set may be appropriate and not too much of a burden; and (9) there should be exception, liberal reinstatement, or rebuttable presumption for constructive cancellation if clerical omission.

Response: Paragraphs (a) and (b) of § 1.121 each separately treat amendment of the specification (paragraphs (a)(1) and (b)(1)), and of the claims (paragraphs (a)(2) and (b)(2)). In comparing amendment practice to the specification for non-reissue and reissue applications, all amendments in the reissue application are to be made relative to (*i.e., vis-à-vis*) the specification (including the claims) and drawings of the original patent as of the date of the filing of the reissue application. Changes are shown using underlining and bracketing relative to the patent specification. In addition, the entire paragraph of disclosure with the changes and the entire claim with the changes must be presented, in making the amendment. On the other hand, amendments in a non-reissue application are to be made relative to prior amendments (with underlining and bracketing in a reproduced claim reflecting changes made relative to the prior amendment), and insertions and deletions can be made without reproducing the entire paragraph of disclosure or the entire claim. Further (for a non-reissue application), in amending the text of the disclosure other than the claims, changes are not shown by underlining and bracketing, even where a paragraph of disclosure is reproduced.

Paragraph (a) of § 1.121 relates to amendments in non-provisional applications, other than reissue applications, and retains a reference to § 1.52. Paragraph (a)(1) relates to the manner of making amendments in the specification, other than in the claims. Paragraph (a)(1)(i) requires the precise point in the specification to be indicated where an addition is to be inserted. Paragraph (a)(1)(ii) requires the precise point in the specification to be indicated where a deletion is to be made. This should be compared to addition or cancellation of material from the patent specification in a reissue application (paragraph (b)(1)(ii)) or in a reexamination proceeding (§ 1.530(d)(1)(ii), *e.g.*, by way of a copy of the rewritten material). An amendment containing deletions mixed with additions will be treated according to both paragraphs (a)(1)(i) and (a)(1)(ii). Amendments to the specification, additions or deletions, do not require markings, only identification of an insertion point. However, where the changes made are not readily apparent the applicant may be requested by the examiner to provide an explanation of the changes or a marked up copy showing the changes made. Paragraph (a)(1)(iii) provides that to reinstate matter previously deleted it must be reinstated by a new amendment inserting the matter.

Paragraph (a)(2) of § 1.121 relates to the manner of making amendments in the claims of a non-reissue application.

the proposed change to § 1.119.

Section 1.121

Section 1.121, paragraphs (a) through (f), are replaced with paragraphs (a) through (c), which separately treat amendments in non-reissue nonprovisional applications (paragraph (a)), amendments in reissue applications (paragraph (b)), and amendments in reexamination proceedings (paragraph (c)). The intent of the changes is to being made; (8) some instances separate set may be appropriate and not too much of a burden; and (9) there should be exception, liberal reinstatement, or rebuttable presumption for constructive cancellation if clerical omission.

Response: Paragraphs (a) and (b) of § 1.121 each separately treat amendment of the specification (paragraphs (a)(1) and (b)(1)), and of the claims (paragraphs (a)(2) and (b)(2)). In comparing amendment practice to the changes made are not readily apparent the applicant may be requested by the examiner to provide an explanation of the changes or a marked up copy showing the changes made. Paragraph (a)(1)(iii) provides that to reinstate matter previously deleted it must be reinstated by a new amendment inserting the matter.

Paragraph (a)(2) of § 1.121 relates to the manner of making amendments in the claims of a non-reissue application.

Paragraph (a)(2)(i) permits amendment by instructions to the Office for a deletion, paragraph (a)(2)(i)(A), or for an addition limited to five words in any one claim, paragraph (a)(2)(i)(B). The ability to provide directions to the Office for the handwritten deletion of five words or less for each claim does not encompass deletion of equations, charts or other non-word material. Paragraph (a)(2)(ii) sets forth that a claim may be amended by a direction to cancel the claim, or by rewriting the claim with markings showing material to be added and deleted. Additionally, previously rewritten claims are required to be so marked and not to have interlineations showing amendment(s) previous to the one currently being submitted.

Paragraph (a)(3) of § 1.121 clarifies that amendments to the original application drawings for non-reissue applications are not permitted and are to be made by way of a substitute sheet for each original drawing sheet that is to be amended. The paragraph contains material from cancelled § 1.115.

Paragraph (a)(4) of § 1.121 requires that any amendment presented in a substitute specification must be presented under the provision of this section either prior to or concurrent with the submission of the substitute specification. The paragraph contains material from cancelled § 1.115.

Paragraph (a)(5) of § 1.121 requires amendment of the disclosure in certain situations (*i.e.*, to correct inaccuracies of description and definition) and to secure substantial correspondence. The paragraph contains material from cancelled § 1.117. The previous requirement for "correspondence" has been modified by use of "substantial correspondence." See comments to § 1.115.

Paragraph (a)(6) prohibits the introduction of new matter into the disclosure of a non-reissue, non-provisional application.

Paragraph (b) of § 1.121 applies to amendments in reissue applications. Paragraph (b)(1) of § 1.121 relates to the manner of making amendments to the specification, other than in the claims, in reissue applications. Paragraph (b)(1)(i) requires that amendments including deletions be made by submission of a copy of one or more newly added or rewritten paragraphs with markings, except that an entire paragraph may be deleted by a statement deleting the paragraph without presentation of the text of the paragraph. Paragraph (b)(1)(ii) requires indication of the precise point in the specification where the paragraph which is being amended is located. When a change in one sentence, paragraph or page results in only format changes to other pages (*e.g.*, shifting of non-amended text to subsequent pages) not otherwise being amended, such format changes are not to be submitted. Compare to amendments to the specification, other than in the claims, of non-reissue applications wherein deletions are permitted, paragraph (a)(1)(ii) of this section. Paragraph (b)(1)(iii) defines the marking set forth in paragraph (b)(1)(ii) of this section. Proposed paragraph (b)(1)(iii), relating to a requirement for submission of all amendments be presented when any amendment to the specification is made, was not implemented.

Paragraph (b)(2) of § 1.121 relates to the manner of making amendments to the claims in reissue applications. Paragraph (b)(2)(i)(A) of § 1.121 requires the entire text of each patent claim that is being amended by the current amendment and of each claim being added by the current amendment. Requests that the Office hand-enter changes of five or less words, former § 1.121(c)(2), will no longer be permitted. Pending claims, whether previously amended or not, that are not being amended by the current amendment are not to be resubmitted. This procedure is different from § 1.121(a)(2)(i)(B), which permits requests that the Office hand-enter changes of five or less words in a non-reissue application. Additionally, provision is made for the cancellation of a patent claim by a direction to cancel without the need for marking by brackets. Paragraph (b)(2)(i)(B) requires that patent claims not be renumbered. Paragraph (b)(2)(i)(C) identifies the type of marking required by paragraph (b)(2)(i)(A), single underlining for added material and single brackets for material deleted.

Paragraph (b)(2)(ii) of § 1.121 requires that each amendment submission set forth the status (*i.e.*, pending or cancelled) of all patent claims and all added claims as of the date of the submission, as not all claims (non-amended claims) are to be presented with each submission, paragraph (b)(2)(iv). The absence of submission of the claim status would result in an incomplete reply (§ 1.135(c)).

Paragraph (b)(2)(iii) of § 1.121 requires that each claim amendment be accompanied by an explanation of the support in the disclosure of the patent for the amendment. The absence of an explanation would result in an incomplete reply (§ 1.135(c)).

Comment 56: One comment requested that the Office clarify how an applicant would satisfy this requirement when the amendment involves a simple editorial change, or when the amendment uses terms that find no explicit support in the patent.

Response: When it is clear that the amendment simply involves an editorial change and does not add material for which support in the disclosure is required, the reply may simply explain that the amendment is merely making an editorial change. When the amendment uses terms that find no explicit support in the specification, the reply must set forth where the specification provides, at least implicitly, support for the amendment as required by 35 U.S.C. 112, ¶ 1. In addition, an amendment to the specification to secure correspondence between the specification and the claims will also be required. *See* § 1.75(d)(1) and MPEP 608.01(o). Obviously, an amendment that does not find either explicit or at least implicit support in the specification as required by 35 U.S.C. 112, ¶ 1, is not permitted. *See* 35 U.S.C. 251, ¶ 1, (last sentence).

Proposed paragraphs (b)(2)(iv) and (v) of this section, relating to a requirement for presentation of all amendments as of the date any amendment to the claims is made, and to the treatment of the failure to submit a copy of any added claim as a direction to cancel that claim, were not implemented.

Paragraph (b)(3) of § 1.121 clarifies that amendments to the patent drawings are not permitted and that any change must be by way of a new sheet of drawings with the amended figures being identified as "amended" and with added figures identified as "new" for each sheet that has changed. The paragraph contains material from cancelled § 1.115.

Paragraph (b)(4) of § 1.121, added in view of the deletion of § 1.115 paragraph (d), requires amendment of the disclosure in certain situations (*i.e.*, to correct inaccuracies of description and definition) and to secure substantial correspondence between the claims, the remainder of the specification, and the drawings. The previous requirement for "correspondence" has been modified by use of "substantial correspondence." See comments to § 1.115.

Paragraph (b)(5) of § 1.121, containing material transferred from proposed paragraph (b)(2)(vi) (now deleted), clarifies that: (1) No reissue patent will be granted enlarging the scope of the claims unless applied for within two years from the grant of the original patent (additional broadening outside the two-year limit is appropriate as long as some broadening occurred within the two-year period, *In re Doll,* 419 F.2d 925, 164 USPQ 218 (CCPA 1970)); and

(b)(1)(i) requires that amendments including deletions be made by submission of a copy of one or more newly added or rewritten paragraphs with markings, except that an entire paragraph may be deleted by a statement deleting the paragraph without presentation of the text of the paragraph. Paragraph (b)(1)(ii) requires indication of the precise point in the specification where the paragraph which is being amended is located. the claim status would result in an incomplete reply (§ 1.135(c)).

Paragraph (b)(2)(iii) of § 1.121 requires that each claim amendment be accompanied by an explanation of the support in the disclosure of the patent for the amendment. The absence of an explanation would result in an incomplete reply (§ 1.135(c)).

Comment 56: One comment requested that the Office clarify how an applicant would satisfy this requirement when the

Paragraph (b)(5) of § 1.121, containing material transferred from proposed paragraph (b)(2)(vi) (now deleted), clarifies that: (1) No reissue patent will be granted enlarging the scope of the claims unless applied for within two years from the grant of the original patent (additional broadening outside the two-year limit is appropriate as long as some broadening occurred within the two-year period, *In re Doll,* 419 F.2d 925, 164 USPQ 218 (CCPA 1970)); and

(2) no amendment may introduce new matter or be made in an expired patent.

Paragraph (b)(6) of § 1.121 has been added to clarify that all amendments must be made relative to (*i.e., vis-á-vis*) the specification (including the claims) and drawings of the original patent as of the date of the filing of the reissue application. If there was a prior change to the patent (made *via* a prior reexamination certificate, reissue of the patent, certificate of correction, *etc.*), the first amendment must be made relative to the patent specification as changed by the prior proceeding or other mechanism for changing the patent. In addition, all amendments subsequent to the first amendment must be made relative to the patent specification in effect as of the date of the filing of the reissue application, and not relative to the prior amendment.

Paragraph (c) of § 1.121 clarifies that amendments in reexamination proceedings are to be made in accordance with § 1.530(d).

Section 1.121 as applied to reissue applications does not provide for replacement pages whereby a new page would be physically substituted for a currently existing page.

However, an applicant can direct that a page or pages ("Page(s) _____") be cancelled and that updated materials be inserted in its place.

The wide availability of word processing should enable applicants to more easily submit updated material providing greater accuracy and thereby eliminating the need for the Office to hand-enter amendments. To that end, § 1.125 is amended to reflect current practice that a substitute specification may be submitted in an application, other than a reissue application, at any point up to payment of the issue fee as a matter of right, provided that such substitute specification is submitted in compliance with the requirements set forth in § 1.125.

Section 1.122

Section 1.122 is removed and reserved as representing internal Office instruction.

See comments related to § 1.101.

Section 1.123

Section 1.123 is removed and reserved and its subject matter transferred to § 1.121 for better context.

No comments were received regarding the proposed change to § 1.123.

Section 1.124

Section 1.124 is removed and reserved and its subject matter transferred to § 1.121 for better context.

No comments were received regarding the proposed change to § 1.124.

Section 1.125

Section 1.125 is amended by addition of paragraphs (a) through (d). Section 1.125(a) retains the current practice that a substitute specification may be required by the examiner and has been clarified to note that if the legibility of the application papers shall render it difficult to consider the application, the Office may require a substitute specification.

Section 1.125 is amended in view of the continued prosecution application under § 1.53(d), to reflect the current liberalized practice as set forth in MPEP 608.01(q), and to delete the verification requirement for the no new matter statement. See comments to § 1.4(d).

Section 1.125(b) specifically provides for the filing of a substitute specification, excluding the claims, at any point up to payment of the issue fee, if it is accompanied by: (1) A statement that the substitute specification includes no new matter; and (2) a marked-up copy of the substitute specification showing the matter being added to and the matter being deleted from the specification of record (*i.e.*, the specification to be replaced by the substitute specification). While § 1.125(b)(2) requires the marked-up copy show the additions and deletions, it does not require that such additions and deletions be shown by underlining and bracketing. Rather, it permits the use of other indicia (*e.g.*, redlining and strikeouts) to show additions and deletions so that the document-compare feature of conventional word-processing programs can be used to produce the marked-up substitute specification.

Section 1.125(b), as proposed, would have required that a substitute specification contain only changes that were previously or concurrently submitted by an amendment under § 1.121. The Office, however, is not adopting this proposal. Creating a copy of the substitute specification showing the additions and deletions is relatively easy using the document-compare feature of a conventional word-processing program, when compared to the burden of preparing an amendment under § 1.121(a)(1) showing numerous changes to a specification. Thus, the Office is adopting the requirement currently set forth in MPEP 608.01(q) for a marked-up copy of the substitute specification showing the additions and deletions.

Comment 57: One comment stated that it is not clear exactly what is to be submitted with the substitute specification under paragraph (b)(2) of this section even though paragraph (c) requires it to be in clean form without markings.

Response: Section 1.125 requires an applicant filing a substitute specification to submit: (1) the substitute specification in clean form without markings (§ 1.125(c)); (2) a marked-up copy showing the additions and deletions relative to the specification it is replacing (§ 1.125(b)(2)); and (3) a statement that the substitute specification includes no new matter (§ 1.125(b)(1)).

Section 1.125(c) is amended to clarify that a substitute specification is to be submitted without markings as to amended material.

Section 1.125(d) does not permit a substitute specification in reissue or reexamination proceedings as markings for changes from the patent are required therein.

Section 1.126

Section 1.126 is amended to delete the phrase ", except when presented in accordance with § 1.121(b)" for consistency with the change to § 1.121.

No comments were received regarding § 1.126.

Section 1.133

Section 1.133(b) is amended by replacement of "response" with "reply" in accordance with the change to § 1.111.

No comments were received regarding the proposed change to § 1.133.

Section 1.134

Section 1.134 is amended by replacement of "response" with "reply" in accordance with the change to § 1.111.

No comments were received regarding the proposed change to § 1.134.

Section 1.135

Section 1.135 paragraphs (a) and (c) are amended by replacement of "response" with "reply" in accordance with the change to § 1.111. Section 1.135(b) is amended to clarify that the admission of or refusal to admit any amendment after final rejection, and not just an amendment not responsive to the last Office action, shall not operate to save the application from abandonment.

Section 1.135(c) is amended to provide that a new "time period" under § 1.134 may be given if a reply to a non-final Office action is substantially complete but consideration of some matter or compliance with some requirement has been inadvertently omitted. This replaces the practice in which an applicant may be given an

Section 1.123

Section 1.123 is removed and reserved and its subject matter transferred to § 1.121 for better context.

No comments were received regarding the proposed change to § 1.123.

Section 1.124

Section 1.124 is removed and reserved and its subject matter transferred to § 1.121 for better context.

processing program, when compared to the burden of preparing an amendment under § 1.121(a)(1) showing numerous changes to a specification. Thus, the Office is adopting the requirement currently set forth in MPEP 608.01(q) for a marked-up copy of the substitute specification showing the additions and deletions.

Comment 57: One comment stated that it is not clear exactly what is to be submitted with the substitute

just an amendment not responsive to the last Office action, shall not operate to save the application from abandonment.

Section 1.135(c) is amended to provide that a new "time period" under § 1.134 may be given if a reply to a non-final Office action is substantially complete but consideration of some matter or compliance with some requirement has been inadvertently omitted. This replaces the practice in which an applicant may be given an

opportunity to supply the omission through the setting of a "time limit" of one month that is not extendable. Under § 1.135(c) as adopted, a one-month shortened statutory time period will generally be set enabling an applicant to petition for extensions of time under § 1.136(a). Where 35 U.S.C. 133 requires a period longer than one month (i.e., actions mailed in the month of February), a shortened statutory period of 30 days will be set.

The setting of a time period for reply under § 1.134 (rather than a time limit) results in the date of abandonment (when no further reply is filed) being the expiration of the new time period rather than the date of expiration of the period of reply set in the original Office action for which an incomplete reply was filed. Thus, the amendment to § 1.135(c) permits the filing of a continuing application as an alternative to completing the reply, whereas the previous practice required an applicant to complete the reply that was held to be incomplete or else the application was held to be abandoned (retroactively) as of the expiration of the original period for reply. Thus, applicants had to file an unnecessary reply to preserve pendency where their only intent was to file a continuing application. Section 1.135(c), as amended, sets forth a new period within which a continuing application can be filed, without the applicant having to supply the omission in the prior application to preserve pendency. In addition, applicant may file any other reply as may be appropriate under § 1.111, regardless of whether a continuing application is filed.

Comment 58: Two comments objected to the change on the basis that it is subject to intentional misuse. It is argued that it encourages an applicant to send in piecemeal replies and permits use of the time period as a subterfuge for extending prosecution as § 1.135(c) does not specify how many times an incomplete reply can be given.

Response: 35 U.S.C. 154 as amended by Pub. L. 103-465 should provide the necessary incentive for applicants to prosecute an application without undue delay. Additionally, the examiner can determine that the failure to provide a complete reply was not "inadvertent" (especially where an applicant was previously notified of the deficiencies in the reply), and not set a period under § 1.135(c).

Comment 59: One comment suggested amending § 1.135(c) from "may" to "shall" so that an examiner must provide an opportunity to an applicant to complete a reply, and that § 1.135(c) should not be limited to replies to non-final Office actions so that if an application is in condition for allowance except for an inadvertent omission it would be beneficial for all parties to provide the same benefit as for non-final actions.

Response: The term "may" is used rather than "shall" to encourage applicants to provide a complete reply, in that an applicant providing an incomplete reply cannot be certain of being provided with an additional time period to prosecute the application.

Section 1.113(a) provides that the only reply to a final Office action effective to avoid abandonment of an application is: (1) an amendment under § 1.116 that *prima facie* places the application in condition for allowance; or (2) a notice of appeal (and appeal fee) under § 1.191. Thus, the only reply under § 1.113(a) that will ensure that abandonment of the application will be avoided is: (1) an amendment under § 1.116 that cancels all of the rejected claims; or (2) a notice of appeal (and appeal fee) under § 1.191 (§ 1.113(a)). That is, an applicant filing a proposed amendment under § 1.116 or arguments in reply to a final Office action has no assurance that such reply will necessarily result in allowance of the application. Given the limited nature of the replies under § 1.113 to a final Office action, it is not appropriate to provide a time period under § 1.135(c) to complete a reply to a final Office action.

Section 1.135(c) is also amended to remove an unnecessary reference to consideration of the question of abandonment and to clarify that the reply for which applicant may be given a new time period to reply to must be a "non-final" Office action.

Section 1.136

Section 1.136(a)(1) is amended to recite the availability of a maximum of five rather than four months as an extension of time, subject to any maximum period for reply set by statute. For example, when a one-month or 30-day period is set for reply to a restriction requirement or for completing a reply under § 1.135(c), that period may be extended up to the six-month statutory (35 U.S.C. 133) maximum. In addition, as the two-month period set in § 1.192(a) for filing an appeal brief is not subject to the six-month maximum period specified in 35 U.S.C. 133, the period for filing an appeal brief may be extended up to seven months.

Comment 60: At least one comment noted that there is no statutory authority under 35 U.S.C. 41(a)(8)(C) for the $2,010 amount set for the fifth month extension of time.

Response: See the response to comment 5.

Section 1.136(a)(1) is also amended by replacement of "respond" with "reply" in accordance with the change to § 1.111 and for clarification.

Section 1.136(a)(2) is amended by replacement of "respond" with "reply" in accordance with the change to § 1.111 and other clarification changes.

Comment 61: One comment questioned whether the addition in paragraph (a)(2) of § 1.136 that requires a reply to be filed prior to the expiration of the period of extension to avoid abandonment of the application will affect the timely filing of a reply under §§ 1.8 or 1.10 where the mail date rather than the receipt date is the end of the period for reply.

Response: The referred to addition has been noted to be a clarification and not a change in practice. The added language does not change current practice under §§ 1.8 and 1.10.

Section 1.136 is amended by addition of paragraph (a)(3) that provides for the filing in an application a general authorization to treat any reply requiring a petition for an extension of time for its timely submission as containing a request therefor for the appropriate length of time. The authorization may be filed at any time prior to or with the submission of a reply that would require an extension of time for its timely submission, including submission with the application papers. Previously, the mere presence of a general authorization, submitted prior to or with a reply requiring an extension of time, to charge all required fees does not amount to a petition for an extension of time for that reply (MPEP 201.06 and 714.17) and under the proposed amended rule the submission of a reply requiring an extension of time for its timely submission would not be treated as an inherent petition for an extension of time absent an authorization for all necessary extensions of time. The Office will continue to treat all petitions for an extension of time as requesting the appropriate extension period notwithstanding an inadvertent reference to a shorter period for extension and will liberally interpret comparable papers as petitions for an extension of time. Applicants are advised to file general authorizations for payment of fees and petitions for extensions of time as separate papers rather than as sentences buried in papers directed to other matters (such as an application transmittal letter). The use of individual papers directed only

determine that the failure to provide a complete reply was not "inadvertent" (especially where an applicant was previously notified of the deficiencies in the reply), and not set a period under § 1.135(c).

Comment 59: One comment suggested amending § 1.135(c) from "may" to "shall" so that an examiner must provide an opportunity to an applicant to complete a reply, and that § 1.135(c) should not be limited to replies to non-

period may be extended up to the six-month statutory (35 U.S.C. 133) maximum. In addition, as the two-month period set in § 1.192(a) for filing an appeal brief is not subject to the six-month maximum period specified in 35 U.S.C. 133, the period for filing an appeal brief may be extended up to seven months.

Comment 60: At least one comment noted that there is no statutory authority under 35 U.S.C. 41(a)(8)(C) for the

notwithstanding an inadvertent reference to a shorter period for extension and will liberally interpret comparable papers as petitions for an extension of time. Applicants are advised to file general authorizations for payment of fees and petitions for extensions of time as separate papers rather than as sentences buried in papers directed to other matters (such as an application transmittal letter). The use of individual papers directed only

to an extension of time or to a general authorization for payment of fees would permit the Office to more readily identify the presence of such items and list them individually on the application file jacket, thus facilitating future identification of these authorizations.

Comment 62: Two comments requested that it be clarified whether the reference to submission of a paper with an authorization is to be construed as allowing for submission of a standard sentence in a general reply to an Office action that includes a check box on an application transmittal form.

Response: The comments have been adopted and the proposed language of paragraph (a)(3) of § 1.136 modified to replace the reference to "paper" with "written request."

Section 1.136(a)(3) is additionally amended to provide that general authorizations to charge fees are effective to meet not only the requirement for the extension of time fee for replies filed concurrent or subsequent to the authorization but also represent a constructive petition for an extension of time, which is a change from current practice wherein a general authorization to charge additional fees does not represent a petition for an extension of time, which petition must be separately requested.

Section 1.136(a)(3) also includes the sentence "[s]ubmission of the fee set forth in § 1.17(a) will also be treated as a constructive petition for an extension of time in any concurrent reply requiring a petition for an extension of time under this paragraph for its timely submission." This provides for those instances in which an applicant files a reply with a check (or other means of payment under § 1.23) for the requisite fee under § 1.17(a) (1) through (5) for the petition under § 1.136(a) required to render such reply timely, but omits a request (*i.e.*, a petition) for an extension of time under § 1.136(a). In such instances, the mere submission of the appropriate fee will be treated as a constructive petition for the extension of time to render the reply timely.

Section 1.136(b) is amended for clarity and to replace the phrase "response" with the phrase "reply" for consistency with § 1.111.

Section 1.137

Section 1.137 is amended to, *inter alia*, incorporate revival of abandoned applications and lapsed patents for the failure: (1) to timely reply to an Office requirement in a provisional application (§ 1.139); (2) to timely pay the issue fee for a design application (§ 1.155); (3) to timely pay the issue fee for a utility or plant application (§ 1.316); or (4) to timely pay any outstanding balance of the issue fee (§ 1.317) (lapsed patents).

Section 1.137(a) is amended to provide: (1) that it is the paragraph that applies to petitions under the "unavoidable" standard; (2) that "where the delay in reply was unavoidable, a petition may be filed to revive an abandoned application or a lapsed patent pursuant to [§ 1.137(a)]"; and (3) the requirements for a grantable petition pursuant to § 1.137(a) in paragraphs (a)(1) through (a)(4).

Section 1.137(a)(1) (and § 1.137(b)(1)) are amended to provide that a grantable petition pursuant to § 1.137(a) must be accompanied by "[t]he required reply, unless previously filed." Section 1.137(a)(1) (and § 1.137(b)(1)) is amended to further provide that "[i]n a nonprovisional application abandoned for failure to prosecute, the required reply may be met by the filing of a continuing application" and that "[i]n an application or patent, abandoned or lapsed for failure to pay the issue fee or any portion thereof, the required reply must be the payment of the issue fee or any outstanding balance thereof."

Under § 1.137(a)(1) (and § 1.137(b)(1)), a continuing application is a permissive (*i.e.*, "may be met") reply in a nonprovisional application abandoned for failure to prosecute, in that an applicant in a nonprovisional application abandoned for failure to prosecute may file a reply under § 1.111 to a non-final Office action or a reply under § 1.113 (*e.g.*, notice of appeal) to a final Office action, or may simply file a continuing application as the required reply. The Office, however, may require a continuing application (or request for further examination pursuant to § 1.129(a)) to meet the reply requirement of § 1.137(a)(1) (or § 1.137(b)(1)) where, under the circumstances of the application, treating a reply under §§ 1.111 or 1.113 would place an inordinate burden on the Office. Exemplary circumstances of when treating a reply under §§ 1.111 or 1.113 may place an inordinate burden on the Office are: (1) an application abandoned for an inordinate period of time; (2) the application file containing multiple or conflicting replies to the last Office action; and (3) the submission of a reply or replies under § 1.137(a)(1) (or § 1.137(b)(1)) that are questionable as to compliance with §§ 1.111 or 1.113.

While the revival of applications abandoned for failure to timely prosecute and for failure to timely pay the issue fee are incorporated together in § 1.137, the statutory provisions for the revival of an application abandoned for failure to timely prosecute and for failure to timely submit the issue fee are mutually exclusive. *See Brenner* versus *Ebbert*, 398 F.2d 762, 157 USPQ 609 (D.C. Cir.), *cert. denied* 393 U.S. 926, 159 USPQ 799 (1968). 35 U.S.C. 151 authorizes the acceptance of a delayed payment of the issue fee, if the issue fee "is submitted * * * and the delay in payment is shown to have been unavoidable." 35 U.S.C. 41(a)(7) likewise authorizes the acceptance of an "unintentionally delayed payment of the fee for issuing each patent." Thus, 35 U.S.C. 41(a)(7) and 151 each require payment of the issue fee as a condition of reviving an application abandoned or patent lapsed for failure to pay the issue fee. Therefore, the filing of a continuing application without payment of the issue fee or any outstanding balance thereof is not an acceptable proposed reply in an application abandoned or patent lapsed for failure to pay the issue fee or any portion thereof.

The Notice of Allowance requires the timely payment of the issue fee in effect on the date of its mailing to avoid abandonment of the application. In instances in which there is an increase in the issue fee by the time of payment of the issue fee required in the Notice of Allowance, the Office will mail a notice requiring payment of the balance of the issue fee then in effect. *See In re Mills*, 12 USPQ2d 1847 (Comm'r Pat. 1989). The phrase "for failure to pay the issue fee or any portion thereof" applies to those instances in which the applicant fails to pay either the issue fee required in the Notice of Allowance or the balance of the issue fee required in a subsequent notice. In such instances, the proposed reply must be the issue fee then in effect, if no portion of the issue fee was previously submitted, or any outstanding balance of the issue fee then in effect, if a portion of the issue fee was previously submitted.

These changes to § 1.137(a)(1) (and § 1.137(b)(1)) are necessary to incorporate into § 1.137 the revival of abandoned applications and lapsed patents for the failure to: (1) Timely reply to an Office requirement in a provisional application (§ 1.139), (2) timely pay the issue fee (§§ 1.155 and 1.316), or (3) timely pay any outstanding balance of the issue fee (§ 1.317).

Section 1.137(a)(3) is amended to provide that a grantable petition pursuant to § 1.137(a) must be accompanied by "[a] showing to the satisfaction of the Commissioner that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unavoidable."

"response" with the phrase "reply" for consistency with § 1.111.

Section 1.137

Section 1.137 is amended to, *inter alia*, incorporate revival of abandoned applications and lapsed patents for the failure: (1) to timely reply to an Office requirement in a provisional application (§ 1.139); (2) to timely pay the issue fee for a design application (§ 1.155); (3) to timely pay the issue fee for a utility or conflicting replies to the last Office action; and (3) the submission of a reply or replies under § 1.137(a)(1) (or § 1.137(b)(1)) that are questionable as to compliance with §§ 1.111 or 1.113.

While the revival of applications abandoned for failure to timely prosecute and for failure to timely pay the issue fee are incorporated together in § 1.137, the statutory provisions for the revival of an application abandoned for failure to timely prosecute and for 1.316), or (3) timely pay any outstanding balance of the issue fee (§ 1.317).

Section 1.137(a)(3) is amended to provide that a grantable petition pursuant to § 1.137(a) must be accompanied by "[a] showing to the satisfaction of the Commissioner that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unavoidable."

Section 1.137(a) deletes the requirement that a petition thereunder be "promptly filed after the applicant is notified of, or otherwise becomes aware of, the abandonment." The genesis of the "promptly filed" requirement in § 1.137(a) is the legislative history of Pub. L. 97–247, § 3, 96 Stat. 317 (1982) (which provides for the revival of an "unintentionally" abandoned application), which provides, *inter alia*, that:

> In order to prevent abuse and injury to the public the Commissioner could require a terminal disclaimer equivalent to the period of abandonment and could require applicants to act *promptly* after becoming aware of the abandonment.

See H.R. Rep. No. 542, 97th Cong., 2d Sess. 7 (1982), *reprinted in* 1982 U.S.C.C.A.N. 771 (emphasis added).

Nevertheless, 35 U.S.C. 133 and 151 each require a showing that the "delay" was "unavoidable," which requires not only a showing that the delay which resulted in the abandonment of the application was unavoidable, but also a showing of unavoidable delay until the filing of a petition to revive. *See In re Application of Takao*, 17 USPQ2d 1155 (Comm'r Pat. 1990). The burden of continuing the process of presenting a grantable petition in a timely manner likewise remains with the applicant until the applicant is informed that the petition is granted. *Id.* Thus, an applicant seeking to revive an "unavoidably" abandoned application must cause a petition under § 1.137(a) to be filed without delay (*i.e.*, promptly upon becoming notified, or otherwise becoming aware, of the abandonment of the application).

An applicant who fails to file a petition under § 1.137(a) "promptly" upon becoming notified, or otherwise becoming aware, of the abandonment of the application will not be able to show that "the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to [§ 1.137(a)] was unavoidable." The removal of the language in § 1.137(a) requiring that any petition thereunder be "promptly filed after the applicant is notified of, or otherwise becomes aware of, the abandonment" should *not* be viewed as: (1) Permitting an applicant, upon becoming notified, or otherwise becoming aware, of the abandonment of the application, to delay the filing of a petition under § 1.137(a); or (2) changing (or modifying) the result in *In re Application of S*, 8 USPQ2d 1630 (Comm'r Pat. 1988), in which a petition under § 1.137(a) was denied due to the applicant's deliberate deferral in filing a petition under § 1.137. An applicant who deliberately chooses to delay the filing of a petition under § 1.137 (as in *Application of S*) will not be able to show that "the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to [§ 1.137(a)] was unavoidable" or even make an appropriate statement that "the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to [§ 1.137(b)] was unintentional."

Therefore, the requirement in § 1.137(a) that a petition thereunder be "promptly filed after the applicant is notified of, or otherwise becomes aware of, the abandonment" is deleted solely because it is considered redundant in light of the requirement for a showing that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to § 1.137(a) was unavoidable.

Section 1.137(a)(3) (and § 1.137(b)(3)) is further amended to delete the requirement that the showing (statement) must be a verified showing or statement if made by a person not registered to practice before the Patent and Trademark Office. Section 1.56 currently provides that each individual associated with the filing and prosecution of a patent application has a duty of candor and good faith. Sections 1.4(d) and 10.18 are amended to provide that a signature on a paper submitted to the Office constitutes an acknowledgment that willful false statements are punishable under 18 U.S.C. 1001, and may jeopardize the validity of the application or any patent issuing thereon. Therefore, requiring additional verification of a showing or statement under § 1.137 would be redundant. In addition, this requirement results in delays in the treatment of the merits of petitions that include unverified statements.

Section 1.137(a)(4) (and § 1.137(b)(4)) are added to provide that a grantable petition under § 1.137 must be accompanied by "[a]ny terminal disclaimer (and fee as set forth in § 1.20(d)) required pursuant to [§ 1.137(c)]."

Section 1.137(b) is amended to provide: (1) That it is the paragraph that applies to petitions under the "unintentional" standard; (2) that "where the delay in reply was unintentional, a petition may be filed to revive an abandoned application or a lapsed patent pursuant to [§ 1.137(b)]"; and (3) the requirements for a grantable petition pursuant to § 1.137(b) in paragraphs (b)(1) through (b)(4).

Section 1.137(b)(1) is amended (as discussed *supra*) to provide that a grantable petition under § 1.137(b) must be accompanied by "[t]he required reply, unless previously filed." Section 1.137(b)(1) is amended to further provide that "[i]n a nonprovisional application abandoned for failure to prosecute, the required reply may be met by the filing of a continuing application" and that "[i]n an application or patent, abandoned or lapsed for failure to pay the issue fee or any portion thereof, the required reply must be the payment of the issue fee or any outstanding balance thereof."

Section 1.137(b)(3) is amended to provide that a grantable petition under § 1.137(b) must be accompanied by "[a] statement that the entire delay in providing the required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unintentional" and that "[t]he Commissioner may require additional information where there is a question whether the delay was unintentional." While the Office will generally require only the statement that the entire delay in providing the required reply from the due date for the reply until the filing of a grantable petition pursuant to § 1.137(b) was unintentional, the Office may require an applicant to carry the burden of proof to establish that the delay from the due date for the reply until the filing of a grantable petition was unintentional within the meaning of 35 U.S.C. 41(a)(7) and § 1.137(b) where there is a question whether the entire delay was unintentional. *See In re Application of G*, 11 USPQ2d 1378, 1380 (Comm'r Pat. 1989).

Section 1.137(b)(4) is amended to delete the one-year filing period requirement. Section 1.137(b)(4) is amended to provide that a grantable petition under § 1.137 must be accompanied by "[a]ny terminal disclaimer (and fee as set forth in § 1.20(d)) required pursuant to [§ 1.137(c)]."

Requirement That the Entire Delay Until the Filing of a Grantable Petition Was Unavoidable (§ 1.137(a)) or Unintentional (§ 1.137(b))

There are three periods to be considered during the evaluation of a petition under § 1.137: (1) The delay in reply that originally resulted in the abandonment; (2) the delay in filing an initial petition pursuant to § 1.137 to revive the application; and (3) the delay in filing a *grantable* petition pursuant to § 1.137 to revive the application.

Where the applicant deliberately permits an application to become

otherwise becomes aware of, the abandonment" should *not* be viewed as: (1) Permitting an applicant, upon becoming notified, or otherwise becoming aware, of the abandonment of the application, to delay the filing of a petition under § 1.137(a); or (2) changing (or modifying) the result in *In re Application of S*, 8 USPQ2d 1630 (Comm'r Pat. 1988), in which a petition under § 1.137(a) was denied due to the applicant's deliberate deferral in filing a [§ 1.137(c)]."

Section 1.137(b) is amended to provide: (1) That it is the paragraph that applies to petitions under the "unintentional" standard; (2) that "where the delay in reply was unintentional, a petition may be filed to revive an abandoned application or a lapsed patent pursuant to [§ 1.137(b)]"; and (3) the requirements for a grantable petition pursuant to § 1.137(b) in paragraphs (b)(1) through (b)(4).

Unintentional (§ 1.137(b))

There are three periods to be considered during the evaluation of a petition under § 1.137: (1) The delay in reply that originally resulted in the abandonment; (2) the delay in filing an initial petition pursuant to § 1.137 to revive the application; and (3) the delay in filing a *grantable* petition pursuant to § 1.137 to revive the application.

Where the applicant deliberately permits an application to become

abandoned (*e.g.*, due to a conclusion that the claims are unpatentable, that a rejection in an Office action cannot be overcome, or that the invention lacks sufficient commercial value to justify continued prosecution), the abandonment of such application is considered to be a deliberately chosen course of action, and the resulting delay cannot be considered as "unintentional" within the meaning of § 1.137(b). *See Application of G*, 11 USPQ2d at 1380. Likewise, where the applicant deliberately chooses not to seek or persist in seeking the revival of an abandoned application, or where the applicant deliberately chooses to delay seeking the revival of an abandoned application, the resulting delay in seeking revival of the abandoned application cannot be considered as "unintentional" within the meaning of § 1.137(b). An intentional delay resulting from a deliberate course of action chosen by the applicant is not affected by: (1) The correctness of the applicant's (or applicant's representative's) decision to abandon the application or not to seek or persist in seeking revival of the application; (2) the correctness or propriety of a rejection, or other objection, requirement, or decision by the Office; or (3) the discovery of new information or evidence, or other change in circumstances subsequent to the abandonment or decision not to seek or persist in seeking revival. Obviously, delaying the revival of an abandoned application, by a deliberately chosen course of action, until the industry or a competitor shows an interest in the invention (a submarine application) is the antithesis of an "unavoidable" or "unintentional" delay. An intentional abandonment of an application, or an intentional delay in seeking either the withdrawal of a holding of abandonment in or the revival of an abandoned application, precludes a finding of unavoidable or unintentional delay pursuant to § 1.137. *See In re Maldague*, 10 USPQ2d 1477, 1478 (Comm'r Pat. 1988).

The Office does not generally question whether there has been an intentional or otherwise impermissible delay in filing an initial petition pursuant to § 1.137 (a) or (b), when such petition is filed: (1) Within three months of the date the applicant is first notified that the application is abandoned; *and* (2) within one year of the date of abandonment of the application. Thus, an applicant seeking revival of an abandoned application is advised to file a petition pursuant to § 1.137 within three months of the first notification that the application is abandoned to avoid the question of intentional delay being raised by the Office (or by third parties seeking to challenge any patent issuing from the application).

Where a petition pursuant to § 1.137 (a) or (b) is not filed within three months of the date the applicant is first notified that the application is abandoned, the Office may consider there to be a question as to whether the delay was unavoidable or even unintentional. In such instances, the Office may require: (1) A showing as to how the delay between the date the applicant was first notified that the application was abandoned and the date a § 1.137(a) petition was filed was "unavoidable"; or (2) further information as to the cause of the delay between the date the applicant was first notified that the application was abandoned and the date a § 1.137(b) petition was filed, and how such delay was "unintentional." To avoid delay in the consideration of a petition under § 1.137 (a) or (b) in instances in which such petition was not filed within three months of the date the applicant was first notified that the application was abandoned, applicants should include a showing as to how the delay between the date the applicant is first notified by the Office that the application is abandoned and filing of a petition under § 1.137 was: (1) "Unavoidable" in a petition under § 1.137(a); or (2) "unintentional" in a petition under § 1.137(b).

Where a petition pursuant to § 1.137 (a) or (b) is not filed within one year of the date of abandonment of the application (note that abandonment takes place by operation of law, rather than the mailing of a Notice of Abandonment), the Office may require: (1) Further information as to when the applicant (or the applicant's representative) first became aware of the abandonment of the application; and (2) a showing as to how the delay in discovering the abandoned status of the application occurred despite the exercise of due care or diligence on the part of the applicant (or the applicant's representative) (*see Ex parte Pratt*, 1887 Dec. Comm'r Pat. 31 (1887)). To avoid delay in the consideration of a petition under § 1.137 (a) or (b) in instances in which such petition was not filed within one year of the date of abandonment of the application, applicants should include: (1) The date that the applicant first became aware of the abandonment of the application; and (2) a showing as to how the delay in discovering the abandoned status of the application occurred despite the exercise of due care or diligence on the part of the applicant.

In either instance, applicant's failure to carry the burden of proof to establish that the "entire" delay was "unavoidable" or "unintentional" may lead to the denial of a petition under § 1.137(a) or § 1.137(b), regardless of the circumstances that originally resulted in the abandonment of the application.

Section 1.137(d) specifies a time period within which a renewed petition pursuant to § 1.137 must be filed to be considered timely. So long as a renewed petition is timely filed under § 1.137(d) (including any properly obtained extensions of time), the Office will consider the delay in filing a renewed petition under § 1.137(a) "unavoidable" under § 1.137(a)(3), and will consider the delay in filing a renewed petition under § 1.137(b) "unintentional" under § 1.137(b)(3). Where an applicant files a renewed petition, request for reconsideration, or other petition seeking review of a prior decision on a petition pursuant to § 1.137 outside the time period specified in § 1.137(d), the Office may require, *inter alia*, a specific showing as to how the entire delay was "unavoidable" (§ 1.137(a)) or "unintentional" (§ 1.137(b)). As discussed *supra*, a delay resulting from the applicant deliberately choosing not to persist in seeking the revival of an abandoned application cannot be considered "unavoidable" or "unintentional" within the meaning of § 1.137, and the correctness or propriety of the decision on the prior petition pursuant to § 1.137, the correctness of the applicant's (or the applicant's representative's) decision not to persist in seeking revival, the discovery of new information or evidence, or other change in circumstances subsequent to the abandonment or decision to not persist in seeking revival are immaterial to such intentional delay caused by the deliberate course of action chosen by the applicant.

Retroactive Application of § 1.137(b)

There was no prohibition in former § 1.137(b) against requests for waiver of its one-year filing period requirement; however, waiver of the one-year filing period requirement of former § 1.137(b) was subject to strictly limited conditions (§ 1.183). *See* Final Rule entitled "Changes in Procedures for Revival of Patent Applications and Reinstatement of Patents," published in the **Federal Register** at 58 FR 44277 (August 20, 1993), and in the *Official Gazette* at 1154 *Off. Gaz. Pat. Office* 35 (September 14, 1993). Thus, under the terms of former § 1.137, an applicant in an application abandoned for more than

intentional or otherwise impermissible delay in filing an initial petition pursuant to § 1.137 (a) or (b), when such petition is filed: (1) Within three months of the date the applicant is first notified that the application is abandoned; *and* (2) within one year of the date of abandonment of the application. Thus, an applicant seeking revival of an abandoned application is advised to file a petition pursuant to § 1.137 within three months of the first notification

Dec. Comm'r Pat. 31 (1887)). To avoid delay in the consideration of a petition under § 1.137 (a) or (b) in instances in which such petition was not filed within one year of the date of abandonment of the application, applicants should include: (1) The date that the applicant first became aware of the abandonment of the application; and (2) a showing as to how the delay in discovering the abandoned status of the application occurred despite the

period requirement of former § 1.137(b) was subject to strictly limited conditions (§ 1.183). *See* Final Rule entitled "Changes in Procedures for Revival of Patent Applications and Reinstatement of Patents," published in the **Federal Register** at 58 FR 44277 (August 20, 1993), and in the *Official Gazette* at 1154 *Off. Gaz. Pat. Office* 35 (September 14, 1993). Thus, under the terms of former § 1.137, an applicant in an application abandoned for more than

one year could file either a petition under § 1.137(a) to revive the application on the basis of "unavoidable" delay, or a petition under §§ 1.183 and 1.137(b) to revive the application on the basis of "unintentional" delay. That is, where an application was abandoned for more than one year, and the delay was "unintentional" but not "unavoidable," it was incumbent upon an applicant desiring revival of the application to promptly file a petition under §§ 1.183 and 1.137(b) to revive the application.

While § 1.137(b), as amended, is, by its terms, applicable to applications abandoned prior to its effective date, § 1.137(b) requires, by its terms, "[a] statement that the entire delay in providing the required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unintentional." Thus, where an applicant (or the applicant's representative) previously chose not to seek revival of an application (*e.g.*, due to the opinion that the former provisions of § 1.137 (a) or (b) did not permit revival thereunder), the resulting delay in seeking revival of the application cannot be considered "unintentional" within the meaning of § 1.137(b). Likewise, where an applicant (or the applicant's representative) previously requested revival of an application, received an adverse decision (*e.g.*, a dismissal or denial), and chose not to persist in seeking revival of the application (*e.g.*, by request for reconsideration or review), the resulting delay in seeking revival of the application likewise cannot be considered "unintentional" within the meaning of § 1.137(b). The elimination of the one-year filing period requirement in § 1.137(b) does not create a new right to overcome any prior intentional delay caused by a deliberate course of action (or inaction) chosen by the applicant. Thus, any applicant filing a petition under § 1.137 after the effective date of this Final Rule, but outside the period set in § 1.137(d) for seeking reconsideration of a prior adverse decision on a request to revive an application will be considered to have acquiesced in the abandonment of the application or lapse of the patent.

Section 1.137(c) is amended to change the introductory phrase "[i]n all applications filed before June 8, 1995, and in all design applications filed on or after June 8, 1995" to "[i]n a design application, a utility application filed before June 8, 1995, or a plant application filed before June 8, 1995" for clarity. Section 1.137(c) is further amended to change the phrase "any petition to revive pursuant to paragraph (a) of this section" to "any petition to revive pursuant to this section," and the phrase "not filed within six months of the date of abandonment of the applications" is deleted. Section 1.137(c) is further amended to change the phrase "must also apply to any patent granted on any continuing application entitled under 35 U.S.C. 120 to the benefit of the filing date of the application for which revival is sought" to "must also apply to any patent granted on any continuing application that contains a specific reference under 35 U.S.C. 120, 121, or 365(c) to the application for which revival is sought," since it is the claim for, and not the entitlement to, the benefit of the filing date of the application for which revival is sought that triggers the requirement for the filing of a terminal disclaimer in the continuing application.

Section 1.137(d) is amended to change "application" to "abandoned application or lapsed patent" to incorporate into § 1.137 the revival of lapsed patents. In view of the elimination of a time period from § 1.137(b), the provisions of former § 1.137(e) are incorporated into § 1.137(d) as "[u]nless a decision indicates otherwise, this time period may be extended under the provisions of § 1.136."

Section 1.137(e) is amended to expressly provide that a provisional application, abandoned for failure to timely reply to an Office requirement, may be revived pursuant to § 1.137(a) or (b) so as to be pending for a period of no longer than twelve months from its filing date. In accordance with 35 U.S.C. 111(b)(5), § 1.137(e) clearly indicates that "[u]nder no circumstances will a provisional application be regarded as pending after twelve months from its filing date." Prior § 1.139 (a) and (b) each provided that a provisional application may be revived so as to be pending for a period of no longer than twelve months from its filing date, and that under no circumstances will a provisional application be regarded as pending after twelve months from its filing date.

Comment 63: The majority of comments opposed amending § 1.137(a) and (b) to include time limits based upon the mail date of a notification of abandonment, as well as the retroactive application of such a change to the rules of practice. While these comments recognized that any filing period requirement § 1.137 is better based upon the date of notification, rather than the date of abandonment, they argued that there will inevitably be instances in which a blameless applicant will not be able to meet the filing period requirement due to extenuating circumstances. The majority of comments supported amending § 1.137 (a) and (b) to remove the filing period requirement, as well as the retroactive application of such a change to the rules of practice.

Response: The Office will adopt a § 1.137 that does not include filing period requirements, and will not limit the retroactive application of § 1.137(b) as adopted, other than by the terms of the rule (as discussed supra).

Comment 64: One comment generally supported the change to § 1.137(b) to remove the filing period requirement, but expressed concerns as to the routine revival of abandoned applications. The comment specifically suggested that the Office continue to require a high showing to justify the revival of an abandoned application, especially where the petition was filed substantially after abandonment or applicant's receipt of the notice of abandonment.

Response: The Office does not consider the revival of an abandoned application to be a "routine" matter. The Office will require, *inter alia*, a "showing to the satisfaction of the Commissioner that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to [§ 1.137(a)] was unavoidable" as a prerequisite to the grant of any petition based upon unavoidable delay (§ 1.137(a)). The Office will require, *inter alia*, a "statement that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to [§ 1.137(b)] was unintentional" by a registered practitioner or other party in interest having firsthand knowledge of the circumstances surrounding the delay as a prerequisite to the grant of any petition based upon unintentional delay (§ 1.137(b)). The Office expects that such statement made by a registered practitioner not having firsthand knowledge of the circumstances surrounding the delay be based upon a reasonable investigation of the circumstances surrounding the abandonment of the application (§ 10.18), and that such statement by any person be consistent with the duty of candor and good faith and the duty to disclose material information to the Office (§ 1.56).

Regardless of the length of the delay, § 1.137(a) requires that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to § 1.137(a) was unavoidable. Likewise, regardless of the length of the delay, § 1.137(b)

the application or lapse of the patent.

Section 1.137(c) is amended to change the introductory phrase "[i]n all applications filed before June 8, 1995, and in all design applications filed on or after June 8, 1995" to "[i]n a design application, a utility application filed before June 8, 1995, or a plant application filed before June 8, 1995" for clarity. Section 1.137(c) is further amended to change the phrase "any petition to revive pursuant to paragraph (a) of this section" to "any petition to revive pursuant to this section," and the phrase "not filed within six months of the date of abandonment of the applications" is deleted. Section 1.137(c) is further amended to change the phrase "must also apply to any patent granted on any continuing application entitled under 35 U.S.C. 120 to the benefit of the filing date of the application for which revival is sought" to "must also apply to any patent granted on any continuing application that contains a specific reference under 35 U.S.C. 120, 121, or 365(c) to the application for which revival is sought," since it is the claim for, and not the entitlement to, the benefit of the filing date of the application for which revival is sought that triggers the requirement for the filing of a terminal disclaimer in the continuing application.

Section 1.137(d) is amended to change "application" to "abandoned application or lapsed patent" to incorporate into § 1.137 the revival of lapsed patents. In view of the elimination of a time period from § 1.137(b), the provisions of former § 1.137(e) are incorporated into § 1.137(d) as "[u]nless a decision indicates otherwise, this time period may be extended under the provisions of § 1.136."

Section 1.137(e) is amended to expressly provide that a provisional application, abandoned for failure to timely reply to an Office requirement, may be revived pursuant to § 1.137(a) or (b) so as to be pending for a period of no longer than twelve months from its filing date. In accordance with 35 U.S.C. 111(b)(5), § 1.137(e) clearly indicates that "[u]nder no circumstances will a provisional application be regarded as pending after twelve months from its filing date." Prior § 1.139 (a) and (b) each provided that a provisional application may be revived so as to be pending for a period of no longer than twelve months from its filing date, and that under no circumstances will a provisional application be regarded as pending after twelve months from its filing date.

Comment 63: The majority of comments opposed amending § 1.137(a) and (b) to include time limits based upon the mail date of a notification of abandonment, as well as the retroactive application of such a change to the rules of practice. While these comments recognized that any filing period requirement § 1.137 is better based upon the date of notification, rather than the date of abandonment, they argued that there will inevitably be instances in which a blameless applicant will not be able to meet the filing period

(§ 10.18), and that such statement by any person be consistent with the duty of candor and good faith and the duty to disclose material information to the Office (§ 1.56).

Regardless of the length of the delay, § 1.137(a) requires that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to § 1.137(a) was unavoidable. Likewise, regardless of the length of the delay, § 1.137(b)

requires that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to § 1.137(b) was unintentional. As "unintentional" delay does not require that the delay have occurred despite the exercise of due care and diligence (as does "unavoidable" delay), the Office does not routinely require a "showing" of unintentional delay for a petition under § 1.137(b). However, where there may be a question whether the delay was unintentional, the Office may require a showing of unintentional delay for a petition under § 1.137(b). Such question may arise from papers submitted to the Office prior to the petition under § 1.137(b) (*e.g.*, a letter of express abandonment, or other communication evidencing a desire to discontinue prosecution) or from facts set forth in the petition itself. Such question may also arise simply from the length of the delay between the date the applicant was notified of the abandoned status of the application and the date action was taken to revive the abandoned application, or the length of the period of abandonment. Specifically, where there is a delay of three months between the date the applicant was notified of the abandoned status of the application (*i.e.*, the mail date of the notice of abandonment) and the date a petition under § 1.137(b) was filed, or where the application was abandoned for more than one year prior to the date a petition under § 1.137(b) was filed, the Office may require further information and a showing that the delay was unintentional.

Finally, it should be stressed that the mere fact that a petition under § 1.137(b) was filed within three months of the date the applicant was notified of the abandoned status of the application (*i.e.*, the mail date of the notice of abandonment) or within one year of the date of abandonment does not imply that the delay was "unintentional." That is, an applicant who deliberately delays the filing of a petition under § 1.137 until three months from the mail date of the notice of abandonment (or based upon the one-year anniversary of the date of abandonment) cannot appropriately make the statement that "the delay was unintentional." This time frame is provided simply as an indication as to when an applicant should expect the Office to inquire further into the circumstances of the abandonment of an application for which a petition under § 1.137(b) is filed, and in which case the applicant may expedite consideration of such petition by providing information as to when applicant was notified of the abandoned status of the application, and the cause of the delay between the date of notification and the date a petition under § 1.137 was filed.

Comment 65: One comment suggested that the Office include in § 1.137 all of the basic interpretations and guidelines by which the Office applies § 1.137. The comment specifically suggested that § 1.137 include the time periods (*e.g.*, three months) by which the Office measures the applicant's diligence in taking action to revive the application and the differences between post-abandonment delay in taking action to revive the application and any pre-abandonment delay which may have resulted in the abandonment.

Response: The Office will adopt a § 1.137 that does not include filing period requirements, but requires that the "entire" delay was "unavoidable" (§ 1.137(a)) or "unintentional" (§ 1.137(b)). The requirements for a petition to revive an abandoned application or lapsed patent are set forth in § 1.137; additionally, the Office will set forth its basic interpretations and guidelines for application of § 1.137 (instructional information) in the MPEP.

Section 1.181 provides the basis for generic requests for relief by petition, and sets forth a two-month time period therein for the timely filing of a petition (§ 1.181(f)). While the three-month time frame employed by the Office during the consideration petitions under § 1.137 exceeds the two-month period in § 1.181(f) for the timely filing of a petition, this three-month period is the most frequently set period for reply by an applicant (*see* MPEP 710.02(b)). While the Office considers the two-month period in § 1.181(f) to be the appropriate period by which the timeliness of a petition should be determined, it is certainly reasonable to expect that any applicant desiring to restore an abandoned application to pending status will file a petition under § 1.137 to revive such abandoned application no later than three months after notification of abandonment of the application. *See In re Kokaji,* 1 USPQ2d 2005, 2006 (Comm'r Pat. 1986).

The "three-month" time frame set forth in this Final Rule is a guideline as to when an applicant can expect further inquiry by the Office (and, as such, should attempt to provide the relevant information in the initial petition to avoid delay), in that: (1) it is possible that an applicant is incapable of filing a petition under § 1.137 within three months of the date of notification of abandonment (*e.g., pro se* applicant incapacitated from date of notification of abandonment until action taken to revive the application) rendering the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition unavoidable; and (2) it is also possible that an applicant, by a deliberately chosen course of action, delays the filing of a petition under § 1.137 until exactly three months after the date of notification of abandonment to use this period as an extension of time, in which case a statement that "the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unintentional" is not appropriate. To avoid substitution of the three-month time frame for review by the Office for the requirement for unavoidable or unintentional delay, the Office will not amend § 1.137 to include this time frame.

Comment 66: One comment indicated that the phrase "the delay was unintentional" is unclear. The comment recited a specific example in which an applicant, under final rejection, submits an amendment or other correspondence which is believed by the applicant to place the application in condition for allowance (and thus constitute a reply within the meaning of § 1.113), and, as such, the applicant, in a deliberate course of action/inaction, takes no further steps to ensure the filing a reply within the meaning of § 1.113 (*e.g.*, a notice of appeal) to the final rejection. The comment suggested that § 1.137 is unclear as to whether the delay in this situation, which may be deliberate or intentional in the literal sense, would constitute an "unintentional" delay within the meaning of § 1.137(b).

Response: The Office has amended § 1.137 to require that "the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition" was "unavoidable" (§ 1.137(a)) or "unintentional" (§ 1.137(b)). Thus, intentional delays occurring prior to the due date for reply to avoid abandonment do not preclude relief pursuant to § 1.137. Should the delay in the example given extend past the extendable due date for reply (under § 1.113) to the final rejection, an appropriate statement of unintentional delay could be made as the applicant did not intend to have the deadline for reply under § 1.113 to the final rejection expire.

In addition, there is a distinction between: (1) a delay resulting from an error in judgment as to whether to permit an application to become abandoned (whether to prosecute the application) or whether to seek or persist in seeking the revival of the abandoned application; and (2) a delay

date of abandonment) cannot appropriately make the statement that "the delay was unintentional." This time frame is provided simply as an indication as to when an applicant should expect the Office to inquire further into the circumstances of the abandonment of an application for which a petition under § 1.137(b) is filed, and in which case the applicant may expedite consideration of such petition by providing information as to forth in this Final Rule is a guideline as to when an applicant can expect further inquiry by the Office (and, as such, should attempt to provide the relevant information in the initial petition to avoid delay), in that: (1) it is possible that an applicant is incapable of filing a petition under § 1.137 within three months of the date of notification of abandonment (*e.g., pro se* applicant incapacitated from date of notification of abandonment until action taken to delay could be made as the applicant did not intend to have the deadline for reply under § 1.113 to the final rejection expire.

In addition, there is a distinction between: (1) a delay resulting from an error in judgment as to whether to permit an application to become abandoned (whether to prosecute the application) or whether to seek or persist in seeking the revival of the abandoned application; and (2) a delay

resulting from an error in judgment as to the steps necessary to continue the prosecution delay in seeking revival of the application. Where the abandonment and ensuing delay results from an error in judgment as to whether to permit an application to become abandoned (whether to prosecute the application) or whether to seek or persist in seeking the revival of the abandoned application, the abandonment of such application is considered a deliberately chosen course of action, and the resulting delay cannot be considered "unintentional" within the meaning of § 1.137(b). Where, however, an error in judgment as to the steps necessary to continue prosecution results in abandonment of the application, the abandonment of such application is not necessarily considered a deliberately chosen course of action, and the resulting delay may be considered "unintentional" within the meaning of § 1.137(b).

However, §§ 1.116 and 1.135(b) are manifest that proceedings concerning an amendment after final rejection will not operate to avoid abandonment of the application in the absence of a timely and proper appeal. Unless the applicant is informed in writing that the application is allowed prior to the expiration of the period for reply to the final Office action, it is the applicant's responsibility to timely file a notice of appeal (and fee) to avoid the abandonment of the application. The abandonment of an application subject to a final Office action is not "unavoidable" within the meaning of 35 U.S.C. 133 and § 1.137(a) in the situation in which the applicant simply permits the maximum extendable statutory period for reply to a final Office action to expire while awaiting a notice of allowance or other action.

Comment 67: One comment opposed the changes to § 1.137 on the bases that: (1) it permits submarine patents, in that an applicant may permit an application to become abandoned and wait to see whether the invention was developed by other entities; and (2) the revival of a long-abandoned application will have an adverse impact on the examiner, in that the examiner who originally examined that application may no longer be at the Office, or will have to reacquaint himself or herself with the application.

Response: The change to § 1.137(b) does not permit an applicant to obtain revival where either: (1) the applicant deliberately permitted the application to become abandoned; or (2) the applicant deliberately delayed seeking revival to see whether the invention was developed by other entities. It is well established that where applicant deliberately permits an application to become abandoned, the abandonment of such application is considered a deliberately chosen course of action, and the resulting delay cannot be considered "unintentional" within the meaning of § 1.137(b). *See Application of G*, 11 USPQ2d at 1380. Likewise, where the applicant deliberately chooses not to either seek or persist in seeking the revival of an abandoned application, the resulting delay in seeking revival of the application cannot be considered "unintentional" within the meaning of § 1.137(b). The intentional abandonment of an application, or an intentional delay in seeking either the withdrawal of a holding of abandonment in or the revival of an abandoned application, precludes a finding of unavoidable or unintentional delay pursuant to § 1.137. *See Maldague*, 10 USPQ2d at 1478.

While it is possible for an applicant to make a misleading statement that the delay was unintentional to obtain revival of an abandoned application, the Office simply must rely upon the candor and good faith of those prosecuting patent applications (*e.g.*, it is equally possible for a party to fabricate evidence and obtain the revival of a long-abandoned application on the basis of unavoidable delay). Any applicant obtaining revival based upon a misleading statement that the delay was unintentional may find the achievement short-lived as a result of the question of intentional delay being raised by third parties challenging any patent issuing from the application.

The revival of any long-abandoned application will have an adverse impact on the examiner; however, long-abandoned applications have been previously revived pursuant to § 1.137(a) on the basis of unavoidable delay. *See In re Lonardo*, 17 USPQ2d 1455 (Comm'r Pat. 1990)(application revived after being abandoned for more than sixteen years). Thus, this change to § 1.137(b) will not create a burden on examiners that did not exist before, and could in fact reduce the burden as a result of the requirement that in applications abandoned for excessive periods of time would have to show that the entire delay was "unavoidable" or "unintentional."

Comment 68: One comment suggested that the two-year limitation in 35 U.S.C. 41(c) is a "good compromise" in regard to a filing period for filing petitions to revive based upon unintentional delay.

Response: The suggestion is not adopted. Changing the one-year filing period requirement in § 1.137(b) to a two-year filing period requirement would not substantially change the problem caused by a filing period requirement, namely, that it causes inequitable results in certain instances. In addition, the inclusion of any filing period requirement in § 1.137(a) or (b) will likely induce applicants, or their representatives, to delay the filing of a petition under § 1.137 until the end of such filing period. *See Application of S*, 8 USPQ2d at 1632. The Office has no discretion in regard to the twenty-four month filing period requirement in 35 U.S.C. 41(c), but the presence of a twenty-four month filing period requirement in 35 U.S.C. 41(c) does not imply that the Office must place a twenty-four month filing period requirement into the rules implementing 35 U.S.C. 41(a)(7), which contains no filing period requirement.

Comment 69: One comment opposed the changes to § 1.137 on the basis that the right to revive an abandoned application should be limited due to the public's right to practice a technology "that an applicant has abandoned."

Response: 35 U.S.C. 41(a)(7) authorizes the Office to revive an abandoned application where the abandonment was unintentional (or unavoidable, the epitome of unintentional), but not where the abandonment was intentional. Section 1.137 does not authorize the revival of an abandoned application where the applicant, by deliberate course of action, has abandoned an application or delayed seeking its revival. Additionally, in many instances the disclosure in a patent maturing from a revived application would not have been disclosed and the technology therein would not be public knowledge, but for the revival of the application.

Comment 70: One comment suggested the need for an intervening rights provision to protect innocent infringers.

Response: The issue of intervening rights relates to the enforcement of patent rights, which does not directly concern the conduct of proceedings in the Office. Thus, it is unclear whether the Office is authorized under 35 U.S.C. 6 to promulgate regulations including an intervening rights provision.

Comment 71: Several comments suggested that § 1.137(b) be amended to include the "promptly filed" requirement of § 1.137(a).

Response: The suggestion is effectively adopted, although *via* a different mechanism as explained below. While there is considerable merit to the suggestion for the inclusion of a "promptly filed" requirement in both § 1.137(a) and (b), the Office has eliminated the "promptly filed" requirement from § 1.137(a) to avoid

examined that application may no longer be at the Office, or will have to reacquaint himself or herself with the application.

Response: The change to § 1.137(b) does not permit an applicant to obtain revival where either: (1) the applicant deliberately permitted the application to become abandoned; or (2) the applicant deliberately delayed seeking revival to see whether the invention was developed by other entities. It is well

periods of time would have to show that the entire delay was "unavoidable" or "unintentional."

Comment 68: One comment suggested that the two-year limitation in 35 U.S.C. 41(c) is a "good compromise" in regard to a filing period for filing petitions to revive based upon unintentional delay.

Response: The suggestion is not adopted. Changing the one-year filing period requirement in § 1.137(b) to a two-year filing period requirement

suggested that § 1.137(b) be amended to include the "promptly filed" requirement of § 1.137(a).

Response: The suggestion is effectively adopted, although *via* a different mechanism as explained below. While there is considerable merit to the suggestion for the inclusion of a "promptly filed" requirement in both § 1.137(a) and (b), the Office has eliminated the "promptly filed" requirement from § 1.137(a) to avoid

confusion between "promptly filed" and "unavoidable delay." The phrase "promptly filed" has been associated with § 1.137(a) and its requirement for "unavoidable" delay, and, as such, the inclusion of a "promptly filed" requirement in § 1.137(b) might cause confusion in regard to the distinction between the circumstances that constitute unavoidable delay and the circumstances that constitute unintentional delay.

Section 1.137(a)(3) and (b)(3) as adopted requires that "the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition" has been "unavoidable" (§ 1.137(a)) or "unintentional" (§ 1.137(b)) to clarify the requirements for a petition under § 1.137(a) and (b). As discussed *supra*, an applicant who fails to file a petition under § 1.137(a) or (b) "promptly" upon becoming notified, or otherwise becoming aware, of the abandonment of the application will not be able to show that "the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to [§ 1.137(a)] was unavoidable," and will probably not even be able to make an appropriate statement that "the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to [§ 1.137(b)] was unintentional." Obviously, any petition under § 1.137(a) or (b) should be "promptly filed" upon discovery of abandonment to avoid a question as to whether the filing of such a petition was intentionally delayed.

Comment 72: One comment questioned how a patent could lapse for failure to pay the issue fee, as a patent does not issue unless the issue fee is paid.

Response: 35 U.S.C. 151 provides that where an applicant timely submits the sum specified in the Notice of Allowance as the issue fee, but a balance of the issue fee remains outstanding (due to a fee increase), the patent will lapse unless the balance of the issue fee is timely paid. See *Mills*, 12 USPQ2d at 1848; *see also Ex parte Crissy*, 201 USPQ 689 (Bd. Pat. App. 1976).

Comment 73: One comment suggested that § 1.137(a)(1) and (b)(1) not require a continuing application if the application became abandoned for failure to reply to a non-final Office action.

Response: Section 1.137(a)(1) and (b)(1) each provide that a petition thereunder include:

> The required reply, unless previously filed. In a nonprovisional application abandoned for failure to prosecute, the required reply may be met by the filing of a continuing application. In an application or patent, abandoned or lapsed for failure to pay the issue fee or any portion thereof, the required reply must be the payment of the issue fee or any outstanding balance thereof.

As discussed *supra*, there may be circumstances under which the Office may require a continuing application to meet this reply requirement. Nevertheless, in a nonprovisional application abandoned for failure to prosecute, a continuing application is generally a permissive (*i.e.*, "may be met") reply, in that an applicant in a nonprovisional application abandoned for failure to prosecute may file a reply under § 1.111 to a non-final Office action or a reply under § 1.113 (*e.g.*, notice of appeal) to a final Office action, or may simply file a continuing application as the required reply. In an application or patent, abandoned or lapsed for failure to pay any portion of the required issue fee, the issue fee or any outstanding balance thereof is the mandatory (*i.e.*, "must be") reply. As the "continuing application" option is limited to an abandoned nonprovisional application, the reply in an abandoned provisional application must be any outstanding reply to an Office requirement.

Comment 74: One comment suggested that § 1.137(c) be amended to take into account the provision in 35 U.S.C. 154(c) that an application (other than a design application) is entitled to a patent term of not less than twenty years from its filing date, or if the application contains a specific reference to an earlier filed application(s) under 35 U.S.C. 120, 121, or 365(c), the date twenty years from the filing date of the earliest such application(s).

Response: The suggestion is not adopted. The Office considers this situation to be applicable to a relatively small class of applications, and, as such, does not deem it prudent to introduce into § 1.137(c) the complexity necessary to account for this situation. Applicants in this situation (*e.g.*, instances in which an application filed prior to June 8, 1995, is to be revived solely for purposes of copendency with an application filed on or after June 8, 1995) may file a petition pursuant to § 1.183 requesting that the Office waive the provisions of § 1.137(c) to the extent that § 1.137(c) requires a disclaimer of the period in excess of the date twenty years from the filing date of the application, or if the application contains a specific reference to an earlier filed application(s) under 35 U.S.C. 120, 121, or 365(c), the date twenty years from the filing date of the earliest such application(s). The Office will refund the § 1.17(h) petition fee if the § 1.183 petition is granted.

Comment 75: One comment suggested that the last paragraph of § 1.137 read:

> Under no circumstance may a petition to revive a provisional application be filed more than twelve months after the filing date of the provisional application. No application filed more than twelve months after the filing date of a provisional application is entitled to a claim of priority from the provisional [application], notwithstanding the copendency of any petition to revive the provisional application.

Response: The suggestion is not adopted. 35 U.S.C. 111(b)(3)(C) authorizes the revival of an abandoned application on the basis of unavoidable or unintentional delay. 35 U.S.C. 111(b)(5) provides that a "provisional application shall be regarded as abandoned 12 months after the filing date of such application and shall not be subject to revival thereafter." 35 U.S.C. 111(b) does not contain any limitation on the filing date of a petition to revive an abandoned provisional application (or the date by which such a petition must be granted), but only a limitation as to the period of pendency of the provisional application. Thus, § 1.137(e) as adopted provides that "[a] provisional application * * * may be revived * * * so as to be pending for a period of no longer than twelve months from its filing date. Under no circumstances will a provisional application be regarded as pending after twelve months from its filing date."

Section 1.139

Section 1.139 is removed and reserved and its subject matter added to § 1.137.

No comments were received regarding the proposed change to § 1.139.

Section 1.142

Section 1.142 is amended by replacement of "response" with "reply" in accordance with the change to § 1.111.

No comments were received regarding the proposed change to § 1.142.

Section 1.144

Section 1.144 is amended for clarification purposes.

No comments were received regarding the proposed change to § 1.144.

Section 1.146

Section 1.146 is amended for clarification purposes.

No comments were received regarding the proposed change to § 1.146.

1976).

Comment 73: One comment suggested that § 1.137(a)(1) and (b)(1) not require a continuing application if the application became abandoned for failure to reply to a non-final Office action.

Response: Section 1.137(a)(1) and (b)(1) each provide that a petition thereunder include:

> The required reply, unless previously filed. In a nonprovisional application abandoned for failure to prosecute, the required reply may be met by the filing of a continuing application. In an application or patent, abandoned or lapsed for failure to pay the issue fee or any portion thereof, the required reply must be the payment of the issue fee or any outstanding balance thereof.

As discussed *supra*, there may be circumstances under which the Office may require a continuing application to meet this reply requirement. Nevertheless, in a nonprovisional application abandoned for failure to prosecute, a continuing application is generally a permissive (*i.e.*, "may be met") reply, in that an applicant in a nonprovisional application abandoned for failure to prosecute may file a reply under § 1.111 to a non-final Office action or a reply under § 1.113 (*e.g.*, notice of appeal) to a final Office action, or may simply file a continuing application as the required reply. In an application or patent, abandoned or lapsed for failure to pay any portion of the required issue fee, the issue fee or any outstanding balance thereof is the mandatory (*i.e.*, "must be") reply. As the "continuing application" option is limited to an abandoned nonprovisional application, the reply in an abandoned provisional application must be any outstanding reply to an Office requirement.

Comment 74: One comment suggested that § 1.137(c) be amended to take into account the provision in 35 U.S.C. 154(c) that an application (other than a design application) is entitled to a patent term of not less than twenty years from its filing date, or if the application contains a specific reference to an earlier filed application(s) under 35 U.S.C. 120, 121, or 365(c), the date twenty years from the filing date of the earliest such application(s).

Response: The suggestion is not adopted. The Office considers this situation to be applicable to a relatively small class of applications, and, as such, does not deem it prudent to introduce into § 1.137(c) the complexity necessary to account for this situation. Applicants in this situation (*e.g.*, instances in which an application filed prior to June 8, 1995, is to be revived solely for purposes of copendency with an application filed on or after June 8, 1995) may file a petition pursuant to § 1.183 requesting that the Office waive the provisions of § 1.137(c) to the extent that § 1.137(c) requires a disclaimer of the period in excess of the date twenty years from the filing date of the application, or if the application contains a specific reference to an earlier filed application(s) under 35 U.S.C. 120, 121, or 365(c), the date twenty years from the filing date of the

Section 1.144

Section 1.144 is amended for clarification purposes.

No comments were received regarding the proposed change to § 1.144.

Section 1.146

Section 1.146 is amended for clarification purposes.

No comments were received regarding the proposed change to § 1.146.

Section 1.152

Section 1.152 is amended to place its former provisions into paragraphs (a), (a)(1), and (a)(2) for clarification.

Section 1.152 is also amended to remove the prohibition against color drawings and color photographs in design applications. Section 1.152 is amended to permit the use of color photographs and color drawings in design applications subject to the petition requirements of § 1.84(a)(2) inasmuch as color may be an integral element of the ornamental design. While pen and ink drawings may be lined for color, a clear showing of the configuration of the design may be obscured by this drafting method. New technologies, such as holographic designs, fireworks and laser light displays may not be accurately disclosed without the use of color.

The term "article" of § 1.152(a) is replaced by the term "design" as 35 U.S.C. 171 requires that the claim be directed to the "design for an article" not the article, *per se*. Therefore, to comply with the requirements of 35 U.S.C. 112, ¶ 1, it is only necessary that the design as embodied in the article be fully disclosed and not the article itself. The term "must" has been replaced by the term "should" to allow for latitude in the illustration of articles whose configuration may be understood without surface shading. Clarification language has been added to note that the use of solid black surfaces is permitted for representation of the color black as well as color contrast and that photographs and ink drawings must not be combined as formal drawings in one application.

A new § 1.152(b) is added to clarify Office practice concerning details disclosed in the ink drawings, color drawings, or photographs deposited with the original application papers. Specifically, § 1.152(b) provides that any details disclosed in the ink or color drawings, or photographs deposited with the original application papers constitutes an integral part of the disclosed and claimed design, except as otherwise provided in § 1.152(b). Section 1.152(b) further specifies that this detail may include color or contrast, graphic or written indicia, including identifying indicia of a proprietary nature (*e.g.*, a company logo), surface ornamentation on an article, or any combination thereof. The "but not limited to" phrase in § 1.152(b) clarifies that this list is exemplary, not exhaustive.

Section 1.152(b)(1) provides that when any detail shown in informal drawings or photographs does not constitute an integral part of the disclosed and claimed design, a specific disclaimer must appear in the original application papers either in the specification or directly on the drawings or photographs. This specific disclaimer in the original application papers will provide antecedent basis for the omission of the disclaimed detail(s) in later-filed drawings or photographs. That is, in the absence of such a disclaimer, later-filed formal or informal drawings not including any detail disclosed in the original drawings will be considered to contain new matter, and will be treated accordingly. *See* 35 U.S.C. 112, ¶ 1; § 1.121(a)(6).

Comment 76: One comment stated that applicant may misunderstand the implications of submitting a design drawing in color and suggested that § 1.152 should explain and give notice of the consequences of submitting an initial color drawing in design applications.

Response: The comment has been adopted.

Section 1.152(b)(2) provides that when informal color drawings or photographs are deposited with the original application papers without a disclaimer pursuant to § 1.152(b)(1), formal color drawings or photographs, or a black and white drawing lined to represent color, will be required.

Section 1.154

The heading of § 1.154 is amended to read "[a]rrangement of application elements" for consistency with §§ 1.77 and 1.163. Section 1.154 paragraph (a) is amended to clarify that a voluntary submission (see comments under § 1.152 relating to substitution of "design" for "article") may and should be made of "a brief description of the nature and intended use of the article in which the design is embodied." It is current practice for design examiners, in appropriate cases, to inquire as to the nature and intended use of the article in which a claimed design is embodied. The submission of such description will allow for a more accurate initial classification, and aid in providing a proper and complete search at the time of the first action on the merits. In those instances where this feature description is necessary to establish a clear understanding of the article in which the design is embodied, provision of the feature description would help in reducing pendency by eliminating the necessity for time-consuming correspondence. Specifically, requests for information prior to first action would be avoided. Absent an amendment requesting deletion of the description it would be printed on any patent that would issue.

No comments were received regarding the proposed change to § 1.154.

Section 1.155

Section 1.155 is amended to include only the language of former § 1.155(a). The subject matter of former paragraphs (b) through (f) of § 1.155 were added to § 1.137.

No comments were received regarding the proposed change to § 1.155.

Section 1.163

The heading of § 1.163 is amended to read "[s]pecification and arrangement of application elements" for consistency with §§ 1.77 and 1.154. Section 1.163(b) is amended to remove an unnecessary and outmoded reference to a "legible carbon copy of the original" specification for plant applications.

No comments were received regarding the proposed change to § 1.163.

Section 1.165

The proposed amendment to § 1.165 to remove the reference to the artistic and competent execution of plant patent drawings is withdrawn.

Comment 77: One comment argued that the language proposed to be deleted was actually relied upon by examiners to obtain new and better illustrations.

Response: The comment was adopted to the extent that the proposed change is withdrawn to allow for further study of what language related to the type of plant drawings should appear in § 1.165.

Section 1.167

Section 1.167 is amended to include only the language of former § 1.167(a), in that paragraph (b) is removed as unnecessary in view of § 1.132.

Comment 78: One comment questioned whether § 1.132 covers paragraph (b) of § 1.167, which paragraph has been deleted.

Response: Paragraph (b) of § 1.167 provided for the submission of affidavits by qualified agricultural or horticultural experts regarding the novelty and distinctiveness of the variety of plant. Section 1.132 relates to affidavits traversing grounds of rejection, and is recognized as the appropriate rule under which an affidavit may be submitted which does not fall within or under other specific rules. *See* MPEP 716.

Section 1.171

Section 1.171 is amended to no longer require an order for a title report in reissue applications as the requirement for a certification on behalf of all the assignees under concomitantly amended

this detail may include color or contrast, graphic or written indicia, including identifying indicia of a proprietary nature (*e.g.*, a company logo), surface ornamentation on an article, or any combination thereof. The "but not limited to" phrase in § 1.152(b) clarifies that this list is exemplary, not exhaustive.

Section 1.152(b)(1) provides that when any detail shown in informal drawings or photographs does not constitute an integral part of the disclosed and claimed design, a specific disclaimer must appear in the original application papers either in the specification or directly on the drawings or photographs. This specific disclaimer in the original application papers will provide antecedent basis for the omission of the disclaimed detail(s) in later-filed drawings or photographs. That is, in the absence of such a disclaimer, later-filed formal or informal drawings not including any detail disclosed in the original drawings will be considered to contain new matter, and will be treated accordingly. *See* 35 U.S.C. 112, ¶ 1; § 1.121(a)(6).

Comment 76: One comment stated that applicant may misunderstand the implications of submitting a design drawing in color and suggested that § 1.152 should explain and give notice of the consequences of submitting an initial color drawing in design applications.

Response: The comment has been adopted.

Section 1.152(b)(2) provides that when informal color drawings or photographs are deposited with the original application papers without a disclaimer pursuant to § 1.152(b)(1), formal color drawings or photographs, or a black and white drawing lined to represent color, will be required.

Section 1.154

The heading of § 1.154 is amended to read "[a]rrangement of application elements" for consistency with §§ 1.77 and 1.163. Section 1.154 paragraph (a) is amended to clarify that a voluntary submission (see comments under § 1.152 relating to substitution of "design" for "article") may and should be made of "a brief description of the nature and intended use of the article in which the design is embodied." It is current practice for design examiners, in appropriate cases, to inquire as to the nature and intended use of the article in which a claimed design is embodied. The submission of such description will allow for a more accurate initial classification, and aid in providing a proper and complete search at the time of the first action on the merits. In those instances where this feature description is necessary to establish a clear understanding of the article in which the design is embodied, provision of the feature description would help in reducing pendency by eliminating the necessity for time-consuming correspondence. Specifically, requests for information prior to first action would be avoided. Absent an amendment requesting deletion of the traversing grounds of rejection, and is recognized as the appropriate rule under which an affidavit may be submitted which does not fall within or under other specific rules. *See* MPEP 716.

Section 1.171

Section 1.171 is amended to no longer require an order for a title report in reissue applications as the requirement for a certification on behalf of all the assignees under concomitantly amended

§ 1.172(a) obviates the need for a title report and fee therefor. Section 1.171 is also amended by deletion of the requirement for an offer to surrender the patent, which offer is seen to be redundant in view of § 1.178.

No adverse comments were received regarding the proposed change to § 1.171.

Section 1.172

Section 1.172 is amended to require that all assignees establish their ownership interest in compliance with § 3.73(b). The amendment as originally proposed repeated requirements found in § 3.73(b) rather than incorporating § 3.73(b), as assignees of a part interest are frequently involved in reissue applications.

Comment 79: One comment noted that the proposed amendment repeated requirements already found in § 3.73(b) and was unnecessary.

Response: The comment was adopted, in that § 1.172 is amended to simply reference § 3.73(b). Section 3.73(b) is amended to replace a reference to an assignee of the entire right, title and interest with a reference to an assignee, so as to include assignees of a part interest.

Section 1.175

Section 1.175 relating to the content of the reissue oath or declaration (MPEP 1414), as well as §§ 1.48 and 1.324 relating to correction of inventorship in an application and in a patent, respectively, are amended to remove the requirement for a factual showing relating to a matter in which a lack of deceptive intent must be established. A statement as to a lack of deceptive intent is sufficient to meet the statutory requirement under 35 U.S.C. 251 of a lack of deceptive intent relating to the error(s) to be corrected by reissue, and a factual showing of how the error(s) to be corrected by reissue arose or occurred is not required. As the Office no longer investigates fraud and inequitable conduct issues and a reissue applicant's statement of a lack of deceptive intent is normally accepted on its face (See MPEP 1448), the requirement in former § 1.175(a)(5) that it be shown how the error(s) being relied upon arose or occurred without deceptive intent on the part of the applicant appears to be unduly burdensome upon applicants and the Office, and is deleted. This applies to the initially identified error(s), under paragraph (a), and any subsequently identified error(s) under paragraph (b).

Comment 80: Although the elimination of the requirement for a factual showing relating to how the errors arose or occurred enjoyed overwhelming support, three comments cited the need for continued investigation by the Office. One comment, while agreeing that some relaxation of reissue oath or declaration requirements are in order, stated that the Office should not decline to investigate entirely or adopt a *pro forma* requirement that can merely be incanted. Two comments stated that it is hard to get the courts to review this issue and that the courts and the public are at a disadvantage absent an explanation of how the error occurred.

Response: Current Office practice is to reject reissue applications only where there is "smoking gun" evidence of deceptive intent, which will not be demonstrated by the type of inquiry limited to a showing of how the error arose or occurred without the ability to subpoena witnesses or evidence. Accordingly, the burden presented on all reissue applicants based on the mere collection of such information for every error is not seen to be warranted.

Comment 81: One comment suggested that a final declaration is not needed, and that, as an alternative, counsel should be allowed to submit a statement based on information and belief counsel is not aware of deceptive intent.

Response: 35 U.S.C. 251 requires that an error have been made without deceptive intention to be corrected *via* reissue. Accordingly, all errors being corrected by reissue must have been made without deceptive intention, in that an error made with deceptive intention cannot be bootstrapped onto an error made without deceptive intention and corrected *via* reissue. The parties with the best knowledge of the lack of deceptive intention are the patentees and owners of the patent, not counsel for the reissue application.

An initial reissue oath or declaration filed pursuant to § 1.175(a) is limited to identification of the cause(s) of the reissue, and stating generally that all errors being corrected in the reissue application at the time of filing of the oath or declaration arose without deceptive intent. Paragraph (a)(1) requires the identification of at least one error and only one error may be identified as the basis for reissue. The current practice under § 1.175 (a)(3) and (a)(5) of specifically identifying all errors being corrected at the time of filing the initial oath or declaration is not retained. Although only one error need be identified to provide a basis for reissue, where only one error among more than one is so identified, applicant should carefully monitor that the error is retained or submit a supplemental oath or declaration identifying another error or errors.

Comment 82: One comment suggested that since a reissued patent and a reexamined patent may also be reissued, paragraph (a)(1) of § 1.175 may be clarified to substitute for "original patent," "reissued," or "existing patent" as what is wholly or partly inoperative or invalid.

Response: The effect of a reissue or reexamination proceedings is to cause a substitution for the original patent so that the reissued or reexamined patent becomes the original patent.

Paragraph (b)(1) of § 1.175 requires a supplemental reissue oath or declaration for errors corrected that were not covered by an earlier presented reissue oath or declaration, such as the initial oath or declaration pursuant to paragraph (a) of this section or one submitted subsequent thereto (a supplemental oath or declaration under this paragraph), stating generally that all errors being corrected, which are not covered by an earlier presented oath or declaration pursuant to § 1.175 (a) and (b), arose without any deceptive intention on the part of the applicant. A supplemental oath or declaration that refers to all errors that are being corrected, including errors covered by a reissue oath or declaration submitted pursuant to paragraph (a) of this section, would be acceptable. The specific requirement for a supplemental reissue oath or declaration to cover errors sought to be corrected subsequent to the filing of an initial reissue oath or declaration is not a new practice, but merely recognition of a current requirement for a supplemental reissue oath or declaration when additional errors are to be corrected. However, the current practice of specifically identifying all supplemental errors being corrected in a supplemental reissue oath or declaration is not retained.

A supplemental oath or declaration under paragraph (b)(1) must be submitted prior to allowance. The supplemental oath or declaration may be submitted with any amendment prior to allowance, paragraph (b)(1)(i), or in order to overcome a rejection under 35 U.S.C. 251 made by the examiner where there are errors sought to be corrected that are not covered by a previously filed reissue oath or declaration, paragraph (b)(1)(ii). Any such rejection by the examiner will include a statement that the rejection may be overcome by submission of a supplemental oath or declaration, which oath or declaration states that the errors in issue arose without any deceptive intent on the part of the applicant. An

it be shown how the error(s) being relied upon arose or occurred without deceptive intent on the part of the applicant appears to be unduly burdensome upon applicants and the Office, and is deleted. This applies to the initially identified error(s), under paragraph (a), and any subsequently identified error(s) under paragraph (b).

Comment 80: Although the elimination of the requirement for a factual showing relating to how the error and only one error may be identified as the basis for reissue. The current practice under § 1.175 (a)(3) and (a)(5) of specifically identifying all errors being corrected at the time of filing the initial oath or declaration is not retained. Although only one error need be identified to provide a basis for reissue, where only one error among more than one is so identified, applicant should carefully monitor that the error is retained or submit a supplemental

U.S.C. 251 made by the examiner where there are errors sought to be corrected that are not covered by a previously filed reissue oath or declaration, paragraph (b)(1)(ii). Any such rejection by the examiner will include a statement that the rejection may be overcome by submission of a supplemental oath or declaration, which oath or declaration states that the errors in issue arose without any deceptive intent on the part of the applicant. An

examiner ordinarily will be introducing a rejection under 35 U.S.C. 251 based on the lack of a supplemental declaration for the first time in the prosecution once the claims are determined to be otherwise allowable. The introduction of a new ground of rejection under 35 U.S.C. 251 will not prevent an action from being made final, except first actions pursuant to § 1.113(c), because of the combination of the following factors: (1) The finding of the case in condition for allowance is the first opportunity that the examiner has to make the rejection; (2) the rejection is being made in response to an amendment of the application (to deal with the errors in the patent); (3) all applicants are on notice that this rejection will be made upon finding of the case otherwise in condition for allowance where errors have been corrected subsequent to the last oath or declaration filed in the case, therefore, the rejection should have been expected by applicant; and (4) the rejection will not prevent applicant from exercising any rights as to curing the rejection, since applicant need only submit the supplemental oath or declaration with the above-described language, and it will be entered to cure the rejection provided it raises no additional issue, such as an informality or substantive reissue question (*e.g.*, a previously omitted claim for priority under 35 U.S.C. 119).

A supplemental oath or declaration under paragraph (b) of this section would only be required for errors sought to be corrected during prosecution of the reissue application. Where an Office action contains only a rejection under 35 U.S.C. 251 and indicates that a supplemental oath or declaration under this paragraph would overcome the rejection, applicants are encouraged to authorize the payment of the issue fee at the time the supplemental reissue oath or declaration is submitted in view of the clear likelihood that the reissue application will be allowed on the next Office action. Such authorization will reduce the delays in the Office awaiting receipt of the issue fee. Where there are no errors to be corrected over those already covered by an oath or declaration submitted under paragraphs (a) and (b)(1) of this section (*e.g.*, the application is allowed on first action), or where a supplemental oath or declaration has been submitted prior to allowance and no further errors have been corrected, a supplemental oath or declaration under this paragraph, or additional supplemental oath or declaration under paragraph (b)(1), would not be required.

Paragraph (b)(2) provides that for any error sought to be corrected after allowance (*e.g.*, under § 1.312), a supplemental oath or declaration must accompany the requested correction stating that the error(s) to be corrected arose without any deceptive intent on the part of the applicant.

The quotes around lack of deceptive intent, currently found in § 1.175(a)(6), are removed as the exact language is not required. The reference to § 1.56, currently found in § 1.175(a)(7), is removed as unnecessary in view of the reference to § 1.56 in § 1.63 that is also referred to by § 1.175(a). The stated ability of applicant to file affidavits or declarations of others and the ability of the examiner to require additional information, currently found in § 1.175(b), is deleted as unnecessary in view of 35 U.S.C. 131 and 35 U.S.C 132.

New paragraph (c) of § 1.175 has been rewritten to clarify its intent that a subsequently submitted oath or declaration under this section need not identify any errors other than what was identified in the original oath or declaration provided at least one of the originally identified errors to be corrected is retained to provide a basis for the reissue.

In new paragraph (d) of § 1.175 a reference to § 1.53(f) is inserted to clarify that the initial oath or declaration under § 1.175(a) including those requirements under § 1.63 need not be submitted (with the specification, drawing and claims) in order to obtain a filing date.

Section 1.176

The adoption of a final change to § 1.176 is held in abeyance pending further consideration by the Office of the decision by the Federal Circuit in *In re Graff*, 111 F.3d 874, 42 USPQ2d 1471 (Fed. Cir. 1997). *Graff* involved two issues: (1) whether it is permissible to have a continuation of a reissue application when the reissue application has issued as a reissue patent; and (2) whether broadened claims can be presented more than two years after the original patent date in a reissue application which was filed within two years but did not include any broadened claims. While *Graff* is more directly related to § 1.177 than § 1.176, §§ 1.176 and 1.177 are sufficiently interrelated that the Office considers it appropriate to hold the final changes to both § 1.176 and § 1.177 in abeyance pending further consideration by the Office of the decision in *Graff*.

Comment 83: A comment requested clarification regarding how restriction, between claims added in a reissue application and the original patent claims, by the examiner would be permitted in § 1.176 while § 1.177 would prohibit multiple reissue patents except among the distinct and separate parts of the thing patented.

Response: The comment will receive further consideration when a final change to § 1.176 is adopted.

Section 1.177

Section 1.177 was proposed to be amended to discontinue the current practice that copending reissue applications must be issued simultaneously unless ordered otherwise by the Commissioner pursuant to petition. As discussed *supra*, the adoption of a final change to § 1.177 is held in abeyance pending further consideration by the Office of the decision in *Graff*.

Comment 84: One comment would limit the granting of multiple reissue patents on different dates to where a petition for the grant of multiple reissue patents has been approved prior to the issuance of any reissue patent. Another comment thought that only one petition fee should be charged notwithstanding whether a petition in more than one reissue application is required.

Response: The comments will receive further consideration when a final change to § 1.177 is adopted.

Section 1.181

The proposed change to § 1.181 will not be made, see comments relating to § 1.101.

Comment 85: One comment requested that the material to be deleted from § 1.181, paragraphs (d), (e), and (g) should be retained as they give fair warning to all and the consequences of failure to pay a petition fee.

Response: The comment has been adopted.

Section 1.182

Section 1.182 is amended by providing that a petition under the section may be granted "subject to such other requirements as may be imposed" by the Commissioner, language similar to that appearing for petitions under § 1.183. The proposal to remove the statement that a decision on a petition thereunder will be communicated to interested parties in writing is withdrawn.

Comment 86: One comment opposed the proposal to remove the statement that a decision on a petition under § 1.182 will be communicated to interested parties in writing, arguing that it would not be appropriate for the Office to decide a petition under § 1.182 without communicating the decision to the interested parties in writing.

already covered by an oath or declaration submitted under paragraphs (a) and (b)(1) of this section (*e.g.*, the application is allowed on first action), or where a supplemental oath or declaration has been submitted prior to allowance and no further errors have been corrected, a supplemental oath or declaration under this paragraph, or additional supplemental oath or declaration under paragraph (b)(1), would not be required.

any broadened claims. While *Graff* is more directly related to § 1.177 than § 1.176, §§ 1.176 and 1.177 are sufficiently interrelated that the Office considers it appropriate to hold the final changes to both § 1.176 and § 1.177 in abeyance pending further consideration by the Office of the decision in *Graff*.

Comment 83: A comment requested clarification regarding how restriction, between claims added in a reissue application and the original patent

thereunder will be communicated to interested parties in writing is withdrawn.

Comment 86: One comment opposed the proposal to remove the statement that a decision on a petition under § 1.182 will be communicated to interested parties in writing, arguing that it would not be appropriate for the Office to decide a petition under § 1.182 without communicating the decision to the interested parties in writing.

Response: The suggestion is adopted. The Office did not propose to remove the statement that a decision on a petition under § 1.182 will be communicated to interested parties in writing because the Office intended to discontinue providing written decisions on petitions under § 1.182 (or any other petition), but because it was considered unnecessary to state as much in the rule itself. While the Office will communicate the decision on any petition under § 1.182 to the interested parties in writing, such decision may not always take the form of a traditional decision on petition. For example, the grant of a petition under § 1.182 to accept the omitted page(s) or drawing(s) in a nonprovisional application and accord the date of such submission as the application filing date will be indicated by the issuance of a new filing receipt stating the filing date accorded the application. *See* Notice entitled "Change in Procedure Relating to an Application Filing Date" published in the **Federal Register** at 61 FR 30041, 30043 (June 13, 1996), and in the *Official Gazette* at 1188 *Off. Gaz. Pat. Office* 48, 50–51 (July 9, 1996).

Section 1.184

Section 1.184 is removed and reserved as representing internal instructions.

Comment 87: Comments suggested that § 1.184 not be deleted notwithstanding its internal directions. See response to comment relating to § 1.101.

Section 1.184 relates to the refusal of a subsequent Commissioner to reconsider a case once decided by a previous Commissioner, except in accordance with principles which govern the granting of new trials. As the Commissioner is free to waive any requirement of the rules not required by statute, the prohibition against reconsideration is ineffective. Additionally, the deletion of the material does not necessarily represent an intent to engage in reconsideration of matters previously decided.

Section 1.191

Section 1.191(a) is amended to permit every applicant, and every owner of a patent under reexamination, any of whose claims have been twice or finally (§ 1.113) rejected (rather than "any of the claims of which have been twice rejected or given a final rejection (§ 1.113)"), to file an appeal to the Board of Patent Appeals and Interferences (Board) to better track the language of 35 U.S.C. 134. Section 1.191(a) is also amended to: (1) explicitly refer to a "notice of appeal" to provide antecedent for such term in § 1.192; (2) replace "response" with "reply" in accordance with the change to § 1.111; and (3) refer to § 1.17(b) for consistency with the change to § 1.17.

Comment 88: One comment argued that the proposed change to § 1.191, limiting the "twice rejected" requirement for appeal to a particular application, was inconsistent with 35 U.S.C. 134, as indicated by the Board in the unpublished decision *Ex parte Lemoine*, Appeal No. 94–0216 (Bd. Pat. App. & Inter., December 27, 1994). A second comment argued that § 1.191 should permit an appeal based on one rejection in a prior application and one rejection in a continuing application to avoid requiring an applicant to file a *pro forma* reply to meet the requirement that the particular application be twice rejected.

Response: The comments have been adopted by elimination of the limitation to twice rejected being related to a particular application. To avoid inconsistency between § 1.191 and 35 U.S.C. 134, § 1.191 as adopted tracks the language of 35 U.S.C. 134, except that § 1.191 states "twice or finally (§ 1.113) rejected" rather than "twice rejected." The patent statute and rules of practice do not permit an application to be finally rejected (even under first action final practice) under 35 U.S.C. 132, unless the applicant is one "whose claims have been twice rejected" within the meaning of 35 U.S.C. 134. Thus, the phrase "or finally (§ 1.113)" may be viewed as redundant. Nevertheless, as applicants generally delay appeal until final action (although Pub. L. 103–465 may change this practice), and there has been some confusion as to when 35 U.S.C. 134 and § 1.191 permit an applicant to appeal a rejection, § 1.191(a) as adopted states "twice or finally (§ 1.113) rejected."

Section 1.191(b) is amended to eliminate the requirement for a notice of appeal to: (1) be signed; or (2) identify the appealed claims. These two requirements have been deleted as being redundant of the requirements of § 1.192 for an appeal brief, which is necessary to avoid dismissal of the appeal. Section 1.33 requires that an appeal brief filed in either an application (§ 1.33(b)) or a reexamination proceeding (§ 1.33(c)) be signed. Thus, a signed appeal brief under § 1.192 (which must be filed to avoid dismissal of the appeal) will serve to, in effect, ratify any unsigned notice of appeal under § 1.191. Likewise, the former requirement of § 1.191(b) for an identification of the appealed claims is unnecessary as § 1.192(c)(3) requires that the appeal brief, *inter alia*, identify the "claims appealed." While it is no longer specifically required by § 1.191(b), an applicant or patent owner should continue to sign notice of appeals under § 1.191(b) (like other papers) and to also identify the claims appealed. The change to § 1.191(b), in effect, permits an appeal brief to constitute an automatic "correction" of a notice of appeal that is not signed or does not identify the appealed claims.

The failure to timely file an appeal brief will result in dismissal of an appeal (§ 1.192(b)). Thus, the failure to timely file an appeal brief (signed in compliance with § 1.33(b) or (c)) after the filing of an unsigned notice of appeal will result in dismissal of the appeal as of the expiration date (including any extensions of time actually obtained) for filing such appeal brief. It will not result in treatment of the application or patent under reexamination as if the notice of appeal had never been filed. This distinction is significant in an application containing allowed claims, in that dismissal of an appeal results in cancellation of the rejected claims and allowance of the application, not abandonment of the application (which would have occurred if the notice of appeal had never been filed).

The Office has eliminated the requirements for a notice of appeal to be signed and to identify the appealed claims to avoid the delay and expense to the applicant and the Office that is involved in treating a defective notice of appeal. These changes were not made to encourage the filing of unsigned notices of appeal or notices of appeal that do not identify the claims being appealed; rather, a notice of appeal should be signed and identify the claims appealed. As the change to § 1.191(b) does not affect other papers submitted with a notice of appeal (*e.g.*, an amendment under § 1.116) or other actions contained within the notice of appeal (*e.g.*, an authorization to charge fees to a deposit account), the failure to sign a notice of appeal (or accompanying papers) may have adverse effects notwithstanding the change to § 1.191(b). For example, an unsigned notice of appeal filed with an authorization (unsigned) to charge the appeal fee to a deposit account as payment of the notice of appeal fee (§ 1.17(b)) will be unacceptable as lacking the appeal fee, as § 1.191(b) applies to the notice of appeal, but not to an authorization to charge a deposit account that happens to be included in the notice of appeal.

Section 1.192

Section 1.192(a) is amended by replacement of "response" with "reply"

every applicant, and every owner of a patent under reexamination, any of whose claims have been twice or finally (§ 1.113) rejected (rather than "any of the claims of which have been twice rejected or given a final rejection (§ 1.113)"), to file an appeal to the Board of Patent Appeals and Interferences (Board) to better track the language of 35 U.S.C. 134. Section 1.191(a) is also amended to: (1) explicitly refer to a "notice of appeal" to provide in either an application (§ 1.33(b)) or a reexamination proceeding (§ 1.33(c)) be signed. Thus, a signed appeal brief under § 1.192 (which must be filed to avoid dismissal of the appeal) will serve to, in effect, ratify any unsigned notice of appeal under § 1.191. Likewise, the former requirement of § 1.191(b) for an identification of the appealed claims is unnecessary as § 1.192(c)(3) requires that the appeal brief, *inter alia*, identify the "claims appealed." While it is no appeal fee to a deposit account as payment of the notice of appeal fee (§ 1.17(b)) will be unacceptable as lacking the appeal fee, as § 1.191(b) applies to the notice of appeal, but not to an authorization to charge a deposit account that happens to be included in the notice of appeal.

Section 1.192

Section 1.192(a) is amended by replacement of "response" with "reply"

in accordance with the change to § 1.111, and to refer to § 1.17(c) for consistency with the change to § 1.17.

Comment 89: One comment suggested that the appeal process could be improved by the imposition of a reasonable page limit on briefs.

Response: The suggestion will be reviewed for further consideration.

Section 1.193

Section 1.193, as well as §§ 1.194, 1.196, and 1.197, are amended to change "the appellant" to "appellant" for consistency. Section 1.193 is also amended by revision of paragraph (a) into paragraphs (a)(1) and (a)(2) and revision of paragraph (b) into paragraphs (b)(1) and (b)(2). Paragraph (a)(1) retains the subject matter of current paragraph (a), except that the phrase "and a petition from such decision may be taken to the Commissioner as provided in § 1.181" is deleted as superfluous. Section 1.181(a), by its terms, authorizes a petition from any action or requirement of an examiner in the *ex parte* prosecution of an application which is not subject to appeal.

Section 1.193(a)(2) specifically prohibits the inclusion of a new ground of rejection in an examiner's answer, but also expressly provides that when (1) an amendment under § 1.116 proposes to add or amend one or more claims, (2) appellant was advised (in an advisory action) that the amendment under § 1.116 would be entered for purposes of appeal, and (3) the advisory action indicates which individual rejection(s) set forth in the action from which the appeal was taken (*e.g.*, the final rejection) would be used to reject the added or amended claim(s), then (1) the appeal brief must address the rejection(s) of the claim(s) added or amended by the amendment under § 1.116 as indicated in the advisory action, and (2) the examiner's answer may include the rejection(s) of the claim(s) added or amended by the amendment under § 1.116 as indicated in the advisory action. This provision of § 1.193(a)(2) is intended for those situations in which a rejection is stated (*i.e.*, applied to some claim) in the final Office action, but due to an amendment under § 1.116 (after final) such rejection is now applicable to a claim that was added or amended under § 1.116. For example, when an amendment under § 1.116 cancels a claim (the "canceled claim") and incorporates its limitations into the claim upon which it depends or rewrites the claim as a new independent claim (the "appealed claim"), the appealed claim has become the canceled claim since it now contains the limitations of the canceled claim (*i.e.*, the only difference between the appealed claim and the canceled claim is the claim number). In such situations, the appellant has been given a fair opportunity to react to the ground of rejection (albeit to a claim having a different claim number). Thus, the Office does not consider such a rejection to constitute a "new ground of rejection" within the meaning of § 1.193(b). Nevertheless, § 1.193(b)(2) expressly permits such a rejection on appeal and further provides that "[t]he filing of an amendment under § 1.116 which is entered for purposes of appeal represents appellant's consent that when so advised any appeal proceed on those claim(s) added or amended by the amendment under § 1.116 subject to any rejection set forth in the action from which the appeal was taken" to eliminate controversy as to the rejection(s) to which claim(s) added or amended under § 1.116 may be subject on appeal.

The phrase "individual rejections" in § 1.193(a)(2) addresses the situation in which claim 2 (which depends upon claim 1) was rejected under 35 U.S.C. 103 on the basis of A in view of B and claim 3 (which depends upon claim 1) was rejected under 35 U.S.C. 103 on the basis of A in view of C, but no claim was rejected under 35 U.S.C. 103 on the basis of A in view of B and C, and an amendment under § 1.116 proposes to combine the limitations of claims 2 and 3 together into new claim 4. In this situation, the action from which the appeal is taken sets forth no rejection on the basis of A in view of B and C, and, as such, § 1.193(a)(2) does not authorize the inclusion of rejection of newly proposed claim 4 under 35 U.S.C. 103 on the basis of A in view of B and C in the examiner's answer. Of course, as a claim including the limitations of both claim 2 and claim 3 is a newly proposed claim in the application, such an amendment under § 1.116 may properly be refused entry as raising new issues. Conversely, that § 1.193(a)(2) would authorize the rejection in an examiner's answer of a claim sought to be added or amended in an amendment under § 1.116 has no effect on whether the amendment under § 1.116 is entitled to entry. The provisions of § 1.116 control whether an amendment under § 1.116 is entitled to entry; the provisions of § 1.193(a)(2) control the rejections to which a claim added or amended in an amendment under § 1.116 may be subject in an examiner's answer.

While § 1.193(a) generally prohibits a new ground of rejection in an examiner's answer, it does not prohibit the examiner from expanding upon or varying the rationale for a ground of rejection set forth in the action being appealed. That is, the parenthetical definition of "new ground of rejection" in MPEP 1208.01 as including an "other reason for rejection" of the appealed claims means another basis for rejection of the appealed claims, and not simply another argument, rationale, or reason submitted in support of a rejection previously of record.

There is no new ground of rejection when the basic thrust of the rejection remains the same such that an appellant has been given a fair opportunity to react to the rejection. *See In re Kronig*, 539 F.2d 1300, 1302–03, 190 USPQ 425, 426–27 (CCPA 1976). Where the statutory basis for the rejection remains the same, and the evidence relied upon in support of the rejection remains the same, a change in the discussion of or rationale for supporting the rejection does not constitute a new ground of rejection. *Id.* at 1303, 190 USPQ at 427 (reliance upon fewer references in affirming a rejection under 35 U.S.C. 103 does not constitute a new ground of rejection). Where the examiner simply changes (or adds) a rationale for supporting a rejection, but relies upon the same statutory basis and evidence in support of the rejection, there is no new ground of rejection.

In any event, an allegation that an examiner's answer contains an impermissible new ground of rejection is waived if not timely (§ 1.181(f)) raised by way of a petition under § 1.181(a).

Section 1.193(b)(1) provides appellant with a right to file a reply brief in reply to an examiner's answer which is not dependent upon a new point of argument being present in the examiner's answer. The former practice of permitting reply briefs based solely on a finding of a new point of argument, as set forth in former paragraph (b), is eliminated thereby preventing present controversies as to whether a new point of argument has been made by the primary examiner. Appellant would be assured of having the last submission prior to review by the Board. Upon receipt of a reply brief, the examiner would either acknowledge its receipt and entry or reopen prosecution to respond to any new issues raised in the reply brief. Should the Board desire to remand the appeal to the primary examiner for comment on the latest submission by appellant or to clarify an examiner's answer (MPEP 1211, 1211.01, and 1212), appellant would be entitled to submit a reply brief in reply to the answer by the examiner to the Board's inquiry, which answer would be by way of a supplemental examiner's answer.

Office action, but due to an amendment under § 1.116 (after final) such rejection is now applicable to a claim that was added or amended under § 1.116. For example, when an amendment under § 1.116 cancels a claim (the "canceled claim") and incorporates its limitations into the claim upon which it depends or rewrites the claim as a new independent claim (the "appealed claim"), the appealed claim has become the canceled claim since it now contains the amendment under § 1.116 is entitled to entry. The provisions of § 1.116 control whether an amendment under § 1.116 is entitled to entry; the provisions of § 1.193(a)(2) control the rejections to which a claim added or amended in an amendment under § 1.116 may be subject in an examiner's answer.

While § 1.193(a) generally prohibits a new ground of rejection in an examiner's answer, it does not prohibit the examiner from expanding upon or respond to any new issues raised in the reply brief. Should the Board desire to remand the appeal to the primary examiner for comment on the latest submission by appellant or to clarify an examiner's answer (MPEP 1211, 1211.01, and 1212), appellant would be entitled to submit a reply brief in reply to the answer by the examiner to the Board's inquiry, which answer would be by way of a supplemental examiner's answer.

Thus, § 1.193(a)(2) does not permit a new ground of rejection in an examiner's answer, and § 1.193(b)(1) does not, in the absence of a remand by the Board, permit an answer (other than a mere acknowledgment) to a timely filed reply brief. Section 1.193 requires the examiner to reopen prosecution to either: (1) enter a new ground of rejection; or (2) provide a substantive answer to a reply brief.

Section 1.193(b)(2) provides that if appellant desires that the appeal process be reinstated in reply to the examiner's reopening of prosecution under § 1.193(b)(1), appellant would be able to file a request to reinstate the appeal and a supplemental appeal brief as an alternative to filing a reply (under §§ 1.111 or 1.113, as appropriate) to the Office action. Amendments, affidavits or other new evidence, however, would not be entered if submitted with a request to reinstate the appeal. Like a reply brief, a supplemental appeal brief submitted pursuant to § 1.193(b)(2)(ii) need not reiterate the contentions set forth in a previously filed appeal brief (or reply brief), but need only set forth appellant's contention with regard to the new ground of rejection(s) raised in the Office action that reopened prosecution. The supplemental appeal brief will automatically incorporate all issues and arguments raised in the previously filed appeal brief (or reply brief), unless appellant indicates otherwise.

The intent of the change to § 1.193(b) is to give appellant (rather than the examiner) the option to continue the appeal if desired (particularly under Pub. L. 103–465), or to continue prosecution before the examiner in the face of a new ground of rejection. Should a supplemental appeal brief be elected as the reply to the examiner reopening prosecution based on a new ground of rejection under § 1.193(b)(1), the examiner may under § 1.193(a)(1) issue an examiner's answer. Where an appeal is reinstated pursuant to § 1.193(b)(2)(ii), no additional appeal fee is currently required.

Comment 90: A number of comments favored permitting appellants to file a reply brief as a matter of right. One comment argued that the Board, rather than the examiner, should determine whether the appellant should be permitted to file a reply brief.

Response: Section 1.193 as adopted permits an appellant to file a reply brief as a matter of right. This change eliminates the authority of an examiner to refuse entry of a timely filed reply brief.

Comment 91: One comment suggested that a reasonable page limit could be placed on reply briefs.

Response: The comment will be studied.

Comment 92: A number of comments opposed the proposed change to require a substitute appeal brief, rather than a reply brief. These comments argued that requiring an entirely new brief reiterating previously submitted arguments, rather than a mere reply to the examiner's answer, would result in a less readable and coherent record.

Response: Section 1.193 as adopted permits a reply brief (rather than a substitute appeal brief) where the appellant desires to reply to an examiner's answer or and a supplemental appeal brief where the appellant requests reinstatement of an appeal. Contentions (or information) set forth in a previously filed appeal (or reply brief) need not be reiterated in a reply brief or supplemental appeal brief.

Comment 93: A number of comments favored prohibiting a new ground of rejection in an examiner's answer.

Response: Section 1.193 as adopted prohibits a new ground of rejection in an examiner's answer, except under the limited circumstance specifically provided for in § 1.193(a)(2).

Comment 94: Two comments suggested that if the examiner reopens prosecution after an appeal brief has been filed, §§ 1.193 or 1.113 should be amended to state that the action issued by the examiner cannot be made final.

Response: The finality of an Office action is determined under MPEP 706.07(a), which states that "any second or subsequent actions on the merits shall be final, except where the examiner introduces a new ground of rejection not necessitated by amendment of the application by applicant." Whether the action subsequent to the reopening of prosecution may be made final will be determined solely by whether such action includes a new ground of rejection not necessitated by amendment of the application by the applicant. Thus, where an amendment under § 1.116 entered as a result of reopening of prosecution necessitates a new ground of rejection, the action immediately subsequent to the reopening of prosecution may be made final. *See* MPEP 706.07(a) and 1208.01.

Comment 95: One comment would go further in permitting applicant to reinstate an appeal as a reply to the examiner reopening prosecution by permitting amendments, affidavits and other evidence to address the new ground of rejection. Another comment desired the ability to reply directly to the Board for any new ground of rejection raised by the Board.

Response: The comments amount to having the Board conduct the prosecution of the application and not act as an appellate review. Amended claims, affidavits and other evidence should be seen by the examiner first for a determination as to whether a new search is required, to conduct any newly required search, and also to evaluate the newly submitted and any newly discovered material at the examination level. See comments to § 1.196(d).

Comment 96: One comment would further amend § 1.193 to waive any subsequent appeal notice fee and appeal brief fee, and start the time period for extension of patent from the time of first appeal in that if the examiner did his or her duty properly there would be no need to reopen prosecution.

Response: Under current practice, a new fee is due for each notice of appeal, each brief, and each request for an oral hearing, *so long as a decision on the merits by the Board resulted from the prior notice of appeal, brief, and request for an oral hearing.* Thus, when an examiner reopens prosecution after appeal but prior to a decision by the Board on the appeal, the fee for the notice of appeal, brief, and request for an oral hearing will apply to a later appeal. The change to § 1.193 in this Final Rule is not germane to patent term extension under 35 U.S.C. 154(b) and § 1.701.

In any event, that prosecution is reopened subsequent to the filing of an appeal brief is not necessarily a concession that the rejection of the appealed claims was in error. It is often the case that prosecution is reopened subsequent to the filing of an appeal brief in the situation in which the examiner considers the rejection of the appealed claims to be appropriate (and thus the appeal to be without merit), but discovers a better basis for rejecting the claims at issue (*e.g.*, even better prior art references). To characterize an examiner, who decides to reopen prosecution to avoid wasting the Board's resources (and the appellant's time) with a rejection that is not the best possible rejection of the appealed claims, as an examiner who is not properly performing his or her duties, would be non-sensical.

Comment 97: One comment opposed prohibiting a new ground of rejection in an examiner's answer. The comment argued that this change will result in unnecessary delays in prosecution.

Response: The proposal to prohibit a new ground of rejection in an examiner's answer otherwise received overwhelming support. Under Pub. L.

favored permitting appellants to file a reply brief as a matter of right. One comment argued that the Board, rather than the examiner, should determine whether the appellant should be permitted to file a reply brief.

Response: Section 1.193 as adopted permits an appellant to file a reply brief as a matter of right. This change eliminates the authority of an examiner to refuse entry of a timely filed reply brief.

new ground of rejection, the action immediately subsequent to the reopening of prosecution may be made final. *See* MPEP 706.07(a) and 1208.01.

Comment 95: One comment would go further in permitting applicant to reinstate an appeal as a reply to the examiner reopening prosecution by permitting amendments, affidavits and other evidence to address the new ground of rejection. Another comment desired the ability to reply directly to

claims, as an examiner who is not properly performing his or her duties, would be non-sensical.

Comment 97: One comment opposed prohibiting a new ground of rejection in an examiner's answer. The comment argued that this change will result in unnecessary delays in prosecution.

Response: The proposal to prohibit a new ground of rejection in an examiner's answer otherwise received overwhelming support. Under Pub. L.

103-465, any delay in prosecution resulting from the reopening of prosecution is to the detriment of the applicant. Thus, it is considered appropriate to give the applicant the choice of whether to prosecute the application before the examiner or reinstate the appeal.

Section 1.194

Section 1.194(b) is amended to provide that a request for an oral hearing must be filed in a separate paper, and to refer to § 1.17(d) for consistency with the change to § 1.17.

Section 1.194(c) is amended to provide that appellant will be notified when a requested oral hearing is unnecessary (*e.g.*, a remand is required).

Comment 98: One comment argued that § 1.194 leaves an open statement as to when the Board may decide that an oral hearing is not necessary, in that this section does not limit considering an oral hearing not necessary to when the application has been remanded to the examiner.

Response: The situation in which an application has been remanded to the examiner was simply an exemplary situation of special circumstances in which the Board may determine that an oral hearing is not necessary. Section 1.194 was not meant to limit the discretion of the Board to determine that an oral hearing is not necessary to those situations when the application has been remanded to the examiner.

Section 1.196

Section 1.196 paragraphs (b) and (d) are combined by amending paragraph § 1.196(b) to specifically provide therein for a new ground of rejection for both appealed claims and for allowed claims present in an application containing claims that have been appealed rather than the current practice under § 1.196(d) of recommending a rejection of allowed claims that is binding on the examiner. The effect of an explicit rejection of an allowed claim by the Board is not seen to differ from a recommendation of a rejection and would serve to advance the prosecution of the application by having the rejection made at an earlier date by the Board rather than waiting for the application to be forwarded and acted upon by the examiner. The former practice that the examiner is not bound by the rejection should appellant elect to proceed under § 1.196(b)(1) and an amendment or showing of facts not previously of record in the opinion of the examiner overcomes the new ground of rejection, is not changed. A period of two months is now explicitly set forth for a reply to a decision by the Board containing a new ground of rejection pursuant to § 1.196(b), which would alter the one month previously set forth for replies to recommended rejections of previously allowed claims. *See* MPEP 1214.01. Extensions of time continue to be governed by § 1.196(f) and § 1.136(b) (and not by § 1.136(a)).

The last sentence of § 1.196(b)(2) is amended to clarify that appellants do not have to both appeal and file a request for rehearing where only a rehearing of a portion of the decision is sought. A decision on a request for rehearing will incorporate the earlier decision for purposes of appeal of the earlier decision in situations in which only a partial request for rehearing has been filed. Additionally, it is clarified that decisions on rehearing are final unless noted otherwise in the decision in that under some circumstances it may not be appropriate to make a decision on rehearing final as is currently automatically provided for. Section 1.196(b) is also amended to clarify that the appellant must exercise one of the two options with respect to the new ground of rejection under § 1.196(b) to avoid termination of proceedings (§ 1.197(c)) as to the rejected claims.

Section 1.196(b)(2) (and §§ 1.197(b) and 1.304(a)(1)) are amended to change the phrase "request for reconsideration" to "request for rehearing" for consistency with 35 U.S.C. 7(b). *See In re Alappat*, 33 F.3d 1526, 1533, 31 USPQ2d 1545, 1548 (Fed. Cir. 1994)(en banc)(noting "imprecise regulation drafting" in regard to the phrase "request for reconsideration" in § 1.197).

Section 1.196(d) is amended to provide the Board with explicit authority to have an appellant clarify the record in addition to what is already provided by way of remand to the examiner (MPEP 1211), and appellant's compliance with the requirements of an appeal brief (§ 1.192(d)). Section 1.196(d) specifically provides that an appellant may be required to address any matter that is deemed appropriate for a reasoned decision on the pending appeal, which may include: (1) The applicability of particular case law that has not been previously identified as relevant to an issue in the appeal; (2) the applicability of prior art that has not been made of record; or (3) the availability of particular test data that would be persuasive in rebutting a ground of rejection. Section 1.196(d) also provides that appellant would be given a non-extendable time period (not a time limit) within which to reply to any requirement under § 1.196(d).

Comment 99: One comment suggested that § 1.196(b) would appear to authorize the Board to reverse a restriction requirement, as § 1.196(b) authorizes the Board to reject any pending claim. The comment suggested that § 1.196(b) authorize the Board to reject any examined (rather than pending) claim.

Response: Section 1.196(b) authorizes, but does not require, the Board to reject claims not involved in the appeal. The Board has held that a restriction requirement is not an adverse decision within the meaning of 35 U.S.C. 7 and 134 subject to appeal, and the CCPA and Federal Circuit have supported this position. *See In re Hengehold*, 440 F.2d 1395, 169 USPQ 473 (CCPA 1971); *see also In re Watkinson*, 900 F.2d 230, 14 USPQ2d 1407 (Fed. Cir. 1990). Thus, concerns that the Board will use the provisions of § 1.196(b) to review restriction requirements are misguided.

Comment 100: Several comments opposed the change to § 1.196(d) on the basis that it places the Board in the position of acting as an examiner in the first instance.

Response: Section 1.196(d) authorizes, but does not require, the Board to require an appellant to clarify the record without remanding the application to the examiner. This change will authorize the Board to obtain clarification directly from the appellant in those situations in which the Board considers a remand to or further action by the examiner unnecessary. Where the Board considers action by an examiner in the first instance to be necessary or desirable, the Board retains the authority to remand the application to the examiner for such action. Additionally, after reply to an inquiry under § 1.196(d) (*e.g.*, does there exist test data that would be persuasive in rebutting a particular ground of rejection), a remand to the examiner may be deemed to be appropriate (*e.g.*, to evaluate test data received in reply to an inquiry).

Section 1.197

Section 1.197(b) is amended to eliminate its use of the passive voice. Section 1.197(b) is also amended to change "reconsideration or modification" to "rehearing" for consistency with 35 U.S.C. 7(b). For consistency with the two-month period set forth in § 1.196(b), § 1.197(b) is also amended to provide a two-month period (rather than a one-month period) within which an appellant may file the single request for rehearing permitted by § 1.197(b).

No comments were received regarding the proposed change to § 1.197.

Board rather than waiting for the application to be forwarded and acted upon by the examiner. The former practice that the examiner is not bound by the rejection should appellant elect to proceed under § 1.196(b)(1) and an amendment or showing of facts not previously of record in the opinion of the examiner overcomes the new ground of rejection, is not changed. A period of two months is now explicitly set forth for a reply to a decision by the Board relevant to an issue in the appeal; (2) the applicability of prior art that has not been made of record; or (3) the availability of particular test data that would be persuasive in rebutting a ground of rejection. Section 1.196(d) also provides that appellant would be given a non-extendable time period (not a time limit) within which to reply to any requirement under § 1.196(d).

Comment 99: One comment suggested that § 1.196(b) would appear to change reconsideration or modification" to "rehearing" for consistency with 35 U.S.C. 7(b). For consistency with the two-month period set forth in § 1.196(b), § 1.197(b) is also amended to provide a two-month period (rather than a one-month period) within which an appellant may file the single request for rehearing permitted by § 1.197(b).

No comments were received regarding the proposed change to § 1.197.

Section 1.291

Section 1.291(c) is amended by removing the blanket limitation of one protest per protestor and would provide for a second or subsequent submission in the form of additional prior art. Mere argument that is later submitted by an initial protestor would continue not to be entered and would be returned unless it is shown that the argument relates to a new issue that could not have been earlier raised. *See* MPEP 1901.07(b). Although later submitted prior art would be made of record by a previous protestor without a showing that it relates to a new issue, it should be noted that entry of later submitted prior art in the file record does not assure its consideration by the examiner if submitted late in the examination process. Accordingly, initial protests should be as complete as possible when first filed.

In view of the amendment to § 1.291(a) in the "Miscellaneous Changes in Patent Practice" Final Rule (discussed *supra*) to require that a protest be filed prior to the mailing of a notice of allowance under § 1.311 to be considered timely (§ 1.291(a)(1)), the restriction of protests by number is deemed unnecessary and is recognized as ineffective, in that a party may effectively file multiple protests by submitting each protest through a third party agent acting on behalf of such party.

Comment 101: One comment suggested that permitting more than one submission by a particular party relating to prior art poses a risk that a third party may sequentially submit individual pieces of prior art as a delaying factor.

Response: Any delay in submission of a piece of prior art by a third party poses the risk that the later submitted prior art will not be considered, particularly if it is seen as part of a pattern. The review of any piece of prior art, assuming it is not part of a large package, to determine its value is not seen to result in any delay in issuing an Office action. It is recognized that some delay may result where a piece of prior art in a second submission by a third party is utilized in a rejection that could have been made sooner if that art had been submitted earlier; however, on balance the Office would prefer to delay prosecution of an application and consider and apply a newly submitted reference not found by the examiner rather than issue an invalid claim.

Section 1.291(c) is also amended to (1) delete the sentence "[t]he Office may communicate with the applicant regarding any protest and may require the applicant to reply to specific questions raised by the protest" as superfluous as the Office may communicate with an applicant regarding any matter, and require the applicant to reply to specific questions, concerning the application; (2) replace "respond" with "reply" in accordance with the change to § 1.111.

Section 1.293

Section 1.293 paragraph (c) is amended to replace the reference to § 1.106(e) with a reference to § 1.104(c)(5), to reflect a transfer of material.

Section 1.294

Section 1.294 paragraph (b) is amended by replacement of "response" with "reply" in accordance with the change to § 1.111.

No comments were received regarding the proposed change to § 1.294.

Section 1.304

Section 1.304(a)(1) is amended to replace "consideration" by "reconsideration" to correct a typographical error.

No comments were received regarding the proposed change to § 1.304.

Section 1.312

Section 1.312(b) is amended to have a reference to § 1.175(b) added in view of the change in § 1.175(b) referencing § 1.312(b).

No comments were received regarding the proposed change to § 1.312.

Section 1.313

Section 1.313 will not be amended with the addition of paragraph (c) informing applicants that unless written notification is received that the application has been withdrawn from issue at least two weeks prior to the projected date of issue, applicants should expect that the application will issue as a patent. The matter will be further studied. It should be noted, however, that once an application has issued, the Office is without authority to grant a request under § 1.313 notwithstanding submission of the request prior to issuance of the patent.

Section 1.316

Section 1.316 is amended to include only the language of former § 1.316(a). The subject matter of former paragraphs (b) through (f) of § 1.316 were added to § 1.137.

No comments were received regarding the proposed change to § 1.316.

Section 1.317

Section 1.317 is amended to include only the language of former § 1.317(a). The subject matter of former paragraphs (b), (c), (e) and (f) of § 1.317 were added to § 1.137.

No comments were received regarding the proposed change to § 1.317.

Section 1.318

Section 1.318 is removed and reserved as being an internal Office instruction.

See comments relating to § 1.101.

Section 1.324

Section 1.324 is amended by creating paragraphs (a) and (b). The requirement for factual showings to establish a lack of deceptive intent is deleted, with a statement to that effect being sufficient, paragraph (a).

Office practice is to require the same type and character of proof of facts as in petitions under § 1.48(a). *See* MPEP 1481. Unlike former § 1.48, former § 1.324 contained no diligence requirement. *See Stark* v. *Advanced Magnetics, Inc.*, 29 F.3d 1570, 1574, 31 USPQ2d 1290, 1293 (Fed. Cir. 1994). Section 1.324 (and § 1.48) as adopted contain no diligence requirement, for the reasons set forth in the discussion of § 1.48.

Section 1.324(b)(1) is amended to explicitly require a statement relating to the lack of deceptive intent only from each person who is being added or deleted as an inventor, as opposed to the current practice of requiring a statement from each original named inventor and any inventor to be added.

The current requirements for an oath or declaration under § 1.63 by each actual inventor is replaced, paragraph (b)(2) of § 1.324, by a statement from the current named inventors who have not submitted a statement under paragraph (b)(1) of § 1.324 either agreeing to the change of inventorship or stating that they have no disagreement in regard to the requested change. Not every original named inventor would necessarily have knowledge of each of the contributions of the other inventors and/or how the inventorship error occurred, in which case their lack of disagreement to the requested change would be sufficient.

Paragraph (b)(3) of § 1.324 requires the written consent of the assignees of all parties who submitted a statement under paragraph (b)(1) and (b)(2) of this section similar to the current practice of consents by the assignees of all the existing patentees. A clarification reference to § 3.73(b) is added.

Paragraph (b)(4) of § 1.324 states the requirement for a petition fee as set forth in § 1.20(b).

No adverse comments were received regarding the proposed change to § 1.324.

sooner if that art had been submitted earlier; however, on balance the Office would prefer to delay prosecution of an application and consider and apply a newly submitted reference not found by the examiner rather than issue an invalid claim.

Section 1.291(c) is also amended to (1) delete the sentence "[t]he Office may communicate with the applicant regarding any protest and may require the applicant to reply to specific

Section 1.316

Section 1.316 is amended to include only the language of former § 1.316(a). The subject matter of former paragraphs (b) through (f) of § 1.316 were added to § 1.137.

No comments were received regarding the proposed change to § 1.316.

Section 1.317

Section 1.317 is amended to include only the language of former § 1.317(a).

all parties who submitted a statement under paragraph (b)(1) and (b)(2) of this section similar to the current practice of consents by the assignees of all the existing patentees. A clarification reference to § 3.73(b) is added.

Paragraph (b)(4) of § 1.324 states the requirement for a petition fee as set forth in § 1.20(b).

No adverse comments were received regarding the proposed change to § 1.324.

Section 1.325

The proposed removal of § 1.325 is withdrawn. See comments relating to § 1.101.

Section 1.351

The proposed removal of § 1.351 is withdrawn. See comments relating to § 1.101.

Section 1.352

Section 1.352 is removed and reserved as unnecessary as an internal instruction.

See comments relating to § 1.101.

Section 1.366

Section 1.366(b) is amended to remove the term "certificate" as unnecessary. Section 1.366(c) is amended for clarity by changing "serial number" to "application number," which consists of the serial number and the series code (*e.g.*, "08/").

Paragraph (d) removes the request for the information concerning the issue date of the original patent and filing date of the application for the original patent as unnecessary. The term "serial" is also removed from paragraph (d).

No comments were received regarding the proposed change to § 1.366.

Section 1.377

Section 1.377(c) is amended to remove the requirement that the petition be verified in accordance with the change to §§ 1.4(d)(2) and 10.18.

No comments were received regarding the proposed change to § 1.377.

Section 1.378

Section 1.378(d) is amended to remove the requirement that the statement be verified in accordance with the change to §§ 1.4(d)(2) and 10.18.

No comments were received regarding the proposed change to § 1.378.

Section 1.425

Section 1.425 is amended by removing paragraph (a) and its requirement for proof of the pertinent facts relating to the lack of cooperation or unavailability of the inventor for which status is sought. In addition, § 1.425 is further amended by deleting paragraph (b) and its requirements for proof of the pertinent facts, presence of a sufficient proprietary interest, and a showing that such action is necessary to preserve the rights of the parties or to prevent irreparable damage. Additionally, the requirement that the last known address of the non-signing inventor be stated has been removed. The current requirements are thought to be unnecessary in view of the need for submission of the same information in a petition under § 1.47 during the national stage. The paragraph added parallels the requirement in PCT Rule 4.15 for a statement explaining to the satisfaction of the Commissioner the lack of the signature concerned for submission of the international application.

No comments were received regarding the proposed change to § 1.425.

Section 1.484

Section 1.484 paragraphs (d) through (f) are amended by replacement of "response" and "respond" with "reply" in accordance with the change to § 1.111.

No comments were received regarding the proposed change to § 1.484.

Section 1.485

Section 1.485(a) is amended by replacement of "response" with "reply" in accordance with the change to § 1.111.

No comments were received regarding the proposed change to § 1.485.

Section 1.488

Section 1.488(b)(3) is amended by replacement of "response" with "reply" in accordance with the change to § 1.111.

No comments were received regarding the proposed change to § 1.488.

Section 1.492

Section 1.492 is amended to add new paragraph (g). See the amendment to § 1.16 adding a new paragraph (m).

No comments were received regarding the proposed change to § 1.492.

Section 1.494

Section 1.494(c) is amended by replacement of "response" with "reply" in accordance with the change to § 1.111.

No comments were received regarding the proposed change to § 1.494.

Section 1.495

Section 1.495(c) is amended by replacement of "response" with "reply" in accordance with the change to § 1.111.

No comments were received regarding the proposed change to § 1.495.

Section 1.510

Section 1.510(e) is amended to replace a reference to § 1.121(f) with a reference to § 1.530(d), which sets forth the requirements for an amendment in a reexamination proceeding.

No comments were received regarding the proposed change to § 1.510.

Section 1.530

The title has been changed by the addition of a semicolon to clarify that the section is intended to cover not only amendments submitted with the statement, but also amendments submitted at any other stage of the reexamination proceedings.

Section 1.530(d) is replaced by paragraphs (d)(1) through (d)(7) removing the reference to § 1.121(f) in accordance with the deletion of § 1.121(f). The manner of proposing amendments in reexamination proceedings is governed by § 1.530 (d)(1) through (d)(6). Paragraph (d)(1) is directed to the manner of proposing amendments in the specification, other than in the claims. Paragraph (d)(1)(i) requires that amendments including deletions be made by submission of a copy of one or more newly added or rewritten paragraphs with markings, except that an entire paragraph may be deleted by a statement deleting the paragraph without presentation of the text of the paragraph. Paragraph (d)(1)(ii) requires indication of the precise point in the specification where the paragraph which is being amended is located. When a change in one sentence, paragraph, or page results in only format changes to other pages (*e.g.*, shifting of non-amended text to subsequent pages) not otherwise being amended, such format changes are not to be submitted. Paragraph (d)(1)(iii) defines the markings set forth in paragraph (d)(1)(ii). Proposed paragraph (d)(1)(iii), relating to a requirement for submission of all amendments be presented when any amendment to the specification is made, was not implemented.

Paragraph (d)(2) of § 1.530 relates to the manner of proposing amendments to the claims in reexamination proceedings. Paragraph (d)(2)(i)(A) of § 1.530 requires that a proposed amendment include the entire text of each patent claim which is proposed to be amended by the current amendment and each proposed new claim being added by the current amendment. Additionally, provision has been made for the cancellation of a patent claim or of a previously proposed new claim by a direction to cancel without the need for marking by brackets. Paragraph (d)(2)(i)(B) prohibits the renumbering of the patent claims and requires that any proposed new claims follow the number of the highest numbered patent claim. Paragraph (d)(2)(i)(C) identifies the type of markings required by paragraph (d)(2)(i)(A), single underlining for added material and single brackets for material deleted.

paragraph (b) and its requirements for proof of the pertinent facts, presence of a sufficient proprietary interest, and a showing that such action is necessary to preserve the rights of the parties or to prevent irreparable damage. Additionally, the requirement that the last known address of the non-signing inventor be stated has been removed. The current requirements are thought to be unnecessary in view of the need for submission of the same information in

§ 1.111.

No comments were received regarding the proposed change to § 1.495.

Section 1.510

Section 1.510(e) is amended to replace a reference to § 1.121(f) with a reference to § 1.530(d), which sets forth the requirements for an amendment in a reexamination proceeding.

No comments were received regarding the proposed change to § 1.510.

of a previously proposed new claim by a direction to cancel without the need for marking by brackets. Paragraph (d)(2)(i)(B) prohibits the renumbering of the patent claims and requires that any proposed new claims follow the number of the highest numbered patent claim. Paragraph (d)(2)(i)(C) identifies the type of markings required by paragraph (d)(2)(i)(A), single underlining for added material and single brackets for material deleted.

Paragraph (d)(2)(ii) requires the patent owner to set forth the status (*i.e.*, pending or cancelled) of all patent claims, and of all currently proposed new claims, as of the date of the submission of each proposed amendment. The absence of claim status would result in a notice of informal response.

Paragraph (d)(2)(iii) of § 1.530 requires an explanation of the support in the disclosure for any amendments to the claims presented for the first time on pages separate from the amendments along with any additional comments. The absence of an explanation would result in a notice of informal response.

Proposed paragraphs (d)(2) (iv) and (v), relating to a requirement for presentation of all amendments as of the date any amendment to the claims is made, and to the treatment of the failure to submit a copy of any added claim as a direction to cancel that claim, were not implemented.

Paragraph (d)(3) of § 1.530 provides that: (1) an amendment may not enlarge the scope of the claims of the patent, (2) no amendment may be proposed for entry in an expired patent, and (3) no amendment will be incorporated into the patent by certificate issued after the expiration of the patent.

Paragraph (d)(4) of § 1.530 provides that amendments proposed to a patent during reexamination proceedings will not be effective until a reexamination certificate is issued. This replaces paragraph (e) of § 1.530, which has been removed and reserved.

Paragraph (d)(5) of § 1.530 provides the criteria for the form of amendments in reexamination proceedings (*i.e.*, paper size must be either letter size or A4 size, and not legal size).

Paragraph (d)(6) of § 1.530 clarifies that proposed amendments to the patent drawing sheets are not permitted and that any change must be by way of a new sheet of drawings with the proposed amended figures being identified as "amended" and with proposed added figures identified as "new" for each sheet that has changed. Material in paragraph (d)(6) has been transferred from cancelled § 1.115.

Paragraph (d)(7) of § 1.530, has been added in view of the deletion of § 1.115 paragraph (d), requires amendment of the disclosure in certain situations (*i.e.*, to correct inaccuracies of description and definition) and to secure substantial correspondence between the claims, the remainder of the specification, and the drawings. The previous requirement for "correspondence" has been modified by use of "substantial correspondence." See comments to § 1.115.

Paragraph (d)(8) of § 1.530 has been added to clarify that all amendments to the patent being reexamined must be made relative to (*i.e., vis-à-vis*) the patent specification in effect as of the date of the filing of the request for reexamination (the patent specification includes the claims). If there was a prior change to the patent (made *via* a prior reexamination certificate, reissue of the patent, certificate of correction, *etc.*), the first amendment must be made relative to the patent specification as changed by the prior proceeding or other mechanism for changing the patent. In addition, all amendments subsequent to the first amendment must be made relative to the patent specification in effect as of the date of the filing of the request for reexamination, and not relative to the prior amendment.

Paragraph (e) of § 1.530 has been removed with the material formerly contained therein transferred to new paragraph (d)(4) of § 1.530.

The proposed change in §§ 1.530, 1.550, and 1.560 to replace "response," "responses" and "respond" with "reply" in accordance with the change to § 1.111 is not being adopted at this time. As the term "reply" in a reexamination proceeding refers to the "reply" of a third party requester (§ 1.535), the Office is withdrawing for further consideration what term should consistently be used for the "reply" or "response" by the patent owner and what term should consistently be used for the "reply" by a third party requester.

Section 1.550

Paragraph (a) of § 1.550 is amended to conform the citation to §§ 1.104 through 1.119 to the changes to §§ 1.104 through 1.119. Paragraphs (b) and (e) of § 1.550 are amended for clarification purposes. Paragraph (e) of § 1.550 clarifies present Office practice of requiring, after filing of a request for reexamination by a third party requester, the service of any document filed by either the patent owner or the third party on the other party in the reexamination proceeding in the manner provided in § 1.248.

No comments were received regarding the proposed change to § 1.550.

Section 1.770

Section 1.770 is amended by replacement of "response" with "reply" in accordance with the change to § 1.111.

No comments were received regarding the proposed change to § 1.770.

Section 1.785

Section 1.785 is amended by replacement of "response" with "reply" in accordance with the change to § 1.111.

No comments were received regarding the proposed change to § 1.785.

Section 1.804

Section 1.804(b) is clarified grammatically by changing "shall state" to "stating" and is amended to delete the requirement that the statement be verified in accordance with the change to §§ 1.4(d)(2) and 10.18.

No comments were received regarding the proposed change to § 1.804.

Section 1.805

Section 1.805(c) is amended by deleting "verified" in accordance with the change to §§ 1.4(d) and 10.18 and removing unnecessary language noting that an attorney or agent registered to practice need not verify their statements.

No comments were received regarding the proposed change to § 1.805.

Part 3

Portions of Part 3 are amended to incorporate Part 7, which part is removed and reserved.

No comments were received regarding the proposed change to Part 3.

Section 3.11

Section 3.11(a) is created for the current subject matter and a new paragraph (b) is added citing Executive Order 9424 of February 18, 1944 (9 FR 1959, 3 CFR 1943–1949 Comp., p. 303) and its requirements that several departments and other executive agencies of the Government forward items for recording.

Section 3.21

Section 3.21 is amended to replace the reference to "§ 1.53(b)(1)" with a reference to "§ 1.53(b)" and to delete the reference to "§ 1.62" for consistency with the amendment to § 1.53 and the deletion of § 1.62.

Section 3.26

Section 3.26 is amended to remove the requirement that an English language translation be verified in accordance with the change to §§ 1.4(d)(2) and 10.18.

Section 3.27

The current subject matter of § 3.27 is designated as paragraph (a), and a paragraph (b) is added to cite Executive Order 9424 and a mailing address therefor.

Section 3.31

Section 3.31(c) is added to require that: (1) The cover sheet must indicate

Paragraph (d)(7) of § 1.530, has been added in view of the deletion of § 1.115 paragraph (d), requires amendment of the disclosure in certain situations (*i.e.*, to correct inaccuracies of description and definition) and to secure substantial correspondence between the claims, the remainder of the specification, and the drawings. The previous requirement for "correspondence" has been modified by use of "substantial correspondence." See comments to § 1.115.

Section 1.770

Section 1.770 is amended by replacement of "response" with "reply" in accordance with the change to § 1.111.

No comments were received regarding the proposed change to § 1.770.

Section 1.785

Section 1.785 is amended by replacement of "response" with "reply"

§§ 1.4(d)(2) and 10.18.

Section 3.27

The current subject matter of § 3.27 is designated as paragraph (a), and a paragraph (b) is added to cite Executive Order 9424 and a mailing address therefor.

Section 3.31

Section 3.31(c) is added to require that: (1) The cover sheet must indicate

that the document is to be recorded on the Governmental Register; (2) the document is to be recorded on the Secret Register (if applicable); and (3) the document does not affect title (if applicable).

Section 3.41

The current subject matter of § 3.41 is designated as paragraph (a), and a paragraph (b) is added to specify when no recording fee is required for documents required to be filed pursuant to Executive Order 9424.

Section 3.51

Section 3.51 is amended by removing the term "certification" as unnecessary in accordance with the change to §§ 1.4(d)(2) and 10.18.

Section 3.58

Section 3.58 is added to provide for the maintaining of a Department Register to record Government interests required by Executive Order 9424 in § 3.58(a). New § 3.58(b) provides that the Office maintain a Secret Register to record Government interests also required by the Executive Order.

Section 3.73

Section 3.73(b) is amended to remove the sentence requiring an assignee to specifically state that the evidentiary documents have been reviewed and to certify that title is in the assignee seeking to take action. The sentence is deemed to be unnecessary in view of the amendment to §§ 1.4(d) and 10.18.

Section 3.73 paragraph (b) has also been amended to replace the language "assignee of the entire right, title and interest" with "assignee." This change provides for the applicability of the paragraph to assignees with a partial interest, such as is often encountered in reissue applications.

Section 3.73(b) is clarified by addition of a reference to an example of documentary evidence that can be submitted.

Part 5

No comments were received regarding the proposed change to Part 5.

Section 5.1

Section 5.1 is amended by removing the current subject matter as being duplicative of material in the other sections of this part and is replaced by subject matter deleted from § 5.33.

Section 5.2

Section 5.2(b) is amended by removing the subject matter as being duplicative of material in the other sections of this part and is replaced with subject matter of the first sentence from § 5.7. Section 5.2 paragraphs (c) and (d) are removed as repetitive of material in the other sections of this part.

Section 5.3

Section 5.3 is amended by replacement of "response" with "reply" in accordance with the change to § 1.111.

Section 5.4

Section 5.4 is amended by removing unnecessary subject matter from paragraph (a), eliminating, in paragraph (d), the requirement that the petition be verified in accordance with the amendment to §§ 1.4(d)(2) and 10.18, and by adding the first and second sentences of § 5.8 to § 5.4(d).

Section 5.5

Section 5.5 is amended by removing unnecessary subject matter from paragraph (b) and by replacing current § 5.5(e) with subject matter removed from § 5.6(a).

Section 5.6

Section 5.6 is removed and reserved with the subject matter of § 5.6(a) being placed in § 5.5(e).

Section 5.7

Section 5.7 is removed and reserved with the first sentence thereof being placed in § 5.2(b).

Section 5.8

Section 5.8 is removed and reserved with the subject matter from the first and second sentences thereof being placed in § 5.4(d).

Sections 5.11

Section 5.11, paragraphs (b), (c) and (e), are amended to update the references to other parts of the Code of Federal Regulations.

Section 5.12

Section 5.12(b) is amended to clarify that the petition fee (§ 1.17(h)) is required only when expedited handling is sought for the petition.

Section 5.13

Section 5.13 is amended by removing the last two sentences which are considered to be unnecessary. Section 5.13 is also amended to remove the language concerning the requirement for the petition fee (§ 1.17(h)) for expedited handling of a petition under § 5.12(b), which is duplicative of the provisions of § 5.12(b). This amendment does not change current practice.

Section 5.14

Section 5.14(a) is amended by removing unnecessary subject matter and replacing "serial number" with the more appropriate designation "application number." Section 5.14(a) is also amended to remove the language concerning the requirement for the petition fee (§ 1.17(h)) for expedited handling of a petition under § 5.12(b), which is duplicative of the provisions of § 5.12(b). This amendment does not change current practice.

Section 5.15

Section 5.15, paragraphs (a), (b), (c), and (e), are amended by removing unnecessary subject matter and to update the references to other parts of the Code of Federal Regulations.

Section 5.16

Section 5.16 is removed and reserved as unnecessary.

Section 5.17

Section 5.17 is removed and reserved as unnecessary.

Section 5.18

Section 5.18 is amended to update the references to other parts of the Code of Federal Regulations.

Sections 5.19

Sections 5.19 (a) and (b) are amended to update the references to other parts of the Code of Federal Regulations. Section 5.19(c) is removed as unnecessary.

Section 5.20

Section 5.20 is amended to include only the language of former § 5.20(a).

Section 5.25

Section 5.25(c) is removed as unnecessary.

Section 5.31

Section 5.31 is removed and reserved as unnecessary.

Section 5.32

Section 5.32 is removed and reserved as unnecessary.

Section 5.33

Section 5.33 is removed and reserved and its subject matter added to § 5.1.

Part 7

Part 7 is removed and reserved as the substance thereof is incorporated into part 3.

No comments were received regarding the proposed change to Part 7.

Section 5.1

Section 5.1 is amended by removing the current subject matter as being duplicative of material in the other sections of this part and is replaced by subject matter deleted from § 5.33.

Section 5.2

Section 5.2(b) is amended by removing the subject matter as being duplicative of material in the other sections of this part and is replaced with

Section 5.13

Section 5.13 is amended by removing the last two sentences which are considered to be unnecessary. Section 5.13 is also amended to remove the language concerning the requirement for the petition fee (§ 1.17(h)) for expedited handling of a petition under § 5.12(b), which is duplicative of the provisions of § 5.12(b). This amendment does not change current practice.

as unnecessary.

Section 5.33

Section 5.33 is removed and reserved and its subject matter added to § 5.1.

Part 7

Part 7 is removed and reserved as the substance thereof is incorporated into part 3.

No comments were received regarding the proposed change to Part 7.

Part 10

Section 10.18

The heading of § 10.18 is amended to read "[s]ignature and certificate for correspondence filed in the Patent and Trademark Office" to reflect that it, as amended, applies to correspondence filed by non-practitioners as well as practitioners.

Section 10.18(a) is amended to provide that for all documents filed in the Office in patent, trademark, and other non-patent matters, except for correspondence that is required to be signed by the applicant or party, each piece of correspondence filed by a practitioner in the Patent and Trademark Office must bear a signature, personally signed by such practitioner, in compliance with § 1.4(d)(1). This amendment is simply a clarification of the requirements of former § 10.18(a).

Section 10.18 is further amended (in § 10.18 paragraphs (b) and (c)) to include the changes proposed to § 1.4 paragraphs (d)(2) and (d)(3). These changes to 37 CFR Part 10 are to avoid a dual standard between 37 CFR Parts 1 and 10 as to practitioners. In addition, by operation of § 1.4(d)(2), the provisions of § 10.18 paragraphs (b) and (c) are applicable to any party (whether a practitioner or non-practitioner) presenting any paper to the Office. As any party (whether a practitioner or non-practitioner) presenting any paper to the Office is subject to the provisions of § 10.18 paragraphs (b) and (c), this change also avoids a dual standard between practitioners and non-practitioners as to the certification provisions of § 10.18(b) and the sanctions provisions of § 10.18(c). The only difference between a practitioner and a non-practitioner as to § 10.18 paragraphs (b) and (c) is that a practitioner may also be subject to disciplinary action for violations of § 10.18(b) in addition to or in lieu of sanctions under § 10.18(c).

Section 10.18(b)(1) is specifically amended to provide that, by presenting to the Office (whether by signing, filing, submitting, or later advocating) any paper, the party presenting such paper (whether a practitioner or non-practitioner) is certifying that all statements made therein of the party's own knowledge are true, all statements made therein on information and belief are believed to be true, and all statements made therein are made with the knowledge that whoever, in any matter within the jurisdiction of the Patent and Trademark Office, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be subject to the penalties set forth under 18 U.S.C. 1001, and that violations of this paragraph may jeopardize the validity of the application or document, or the validity or enforceability of any patent, trademark registration, or certificate resulting therefrom.

Section 10.18(b)(2) is specifically amended to provide that, by presenting to the Office any paper, the party presenting such paper (whether a practitioner or non-practitioner) is certifying that to the best of the party's knowledge, information and belief, formed after an inquiry reasonable under the circumstances, that: (1) the paper is not being presented for any improper purpose, such as to harass someone or to cause unnecessary delay or needless increase in the cost of prosecution before the Office; (2) the claims and other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law; (3) the allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and (4) the denials of factual contentions are warranted on the evidence, or if specifically so identified, are reasonably based on a lack of information or belief.

As discussed *supra*, the amendments to § 10.18, in combination with the amendment to § 1.4(d), will permit the Office to eliminate the verification requirement for a number of the rules of practice.

Section 10.18(c) specifically provides that violations of § 10.18(b)(1) may jeopardize the validity of the application or document, or the validity or enforceability of any patent, trademark registration, or certificate resulting therefrom, and that violations of any of § 10.18 paragraphs (b)(2)(i) through (iv) are, after notice and reasonable opportunity to respond, subject to such sanctions as deemed appropriate by the Commissioner, or the Commissioner's designee, which may include, but are not limited to, any combination of: (1) holding certain facts to have been established; (2) returning papers; (3) precluding a party from filing a paper, or presenting or contesting an issue; (4) imposing a monetary sanction; (5) requiring a terminal disclaimer for the period of the delay; or (6) terminating the proceedings in the Patent and Trademark Office.

With regard to the sanctions enumerated in § 10.18(c), 35 U.S.C. 6(a) provides that "[t]he Commissioner * * * may, subject to the approval of the Secretary of Commerce, establish regulations, not inconsistent with law, for the conduct of proceedings in the Patent and Trademark Office." The issue of whether the Office is authorized to impose monetary sanctions was addressed in the rulemaking entitled "Patent Appeal and Interference Practice," published in the **Federal Register** at 60 FR 14488 (March 17, 1995), and in the *Official Gazette* at 1173 *Off. Gaz. Pat. Office* 36 (April 11, 1995).

The Commissioner's authority under 35 U.S.C. 6(a) to impose monetary sanctions is limited to sanctions which are remedial, and does not extend to sanctions that are punitive. *Id.* at 14494–96, 1173 *Off. Gaz. Pat. Office* at 41–43. An enabling statute (35 U.S.C. 6(a)) alone is not the express statutory authorization required for an agency to impose penal monetary sanctions. *See, e.g., Commissioner* v. *Acker*, 361 U.S. 87, 91 (1959); *Gold Kist, Inc.* v. *Department of Agriculture*, 741 F.2d 344, 348 (11th Cir. 1984). Thus, the line of demarcation between permissible and impermissible monetary sanctions under 35 U.S.C. 6(a) is that: (1) the imposition of a monetary sanction to cover the costs incurred by the Office due to the violation of § 10.18(b)(2) is a remedial (and thus permissible) sanction; and (2) the imposition of a monetary sanction that has no relationship to the costs incurred by the Office due to the violation of § 10.18(b)(2) (*e.g.*, a pre-established or arbitrary fine or penalty) is a punitive (and thus impermissible) sanction. *See United States* v. *Frame*, 885 F.2d 1119, 1142–43 (3rd Cir. 1989)(late payment charge no higher than reasonable to cover lost interest and administrative costs incurred in the collection effort is a remedial sanction, and not a penalty, and, as such, is authorized by rulemaking enabling statute), *cert. denied*, 493 U.S. 1094 (1990); *see also Griffin & Dickson* v. *United States*, 16 Cl. Ct. 347, 356–57 (1989)(agency has the inherent authority to manage its caseload by imposing sanctions including precluding party from presenting further evidence, disciplining of representative, or imposing costs against the representative or the party in interest). As the Office is an entirely fee-funded entity, it is reasonable to impose a monetary sanction on a party causing an unnecessary and inordinate expenditure

practitioner) is certifying that all statements made therein of the party's own knowledge are true, all statements made therein on information and belief are believed to be true, and all statements made therein are made with the knowledge that whoever, in any matter within the jurisdiction of the Patent and Trademark Office, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any

reasonable opportunity to respond, subject to such sanctions as deemed appropriate by the Commissioner, or the Commissioner's designee, which may include, but are not limited to, any combination of: (1) holding certain facts to have been established; (2) returning papers; (3) precluding a party from filing a paper, or presenting or contesting an issue; (4) imposing a monetary sanction; (5) requiring a terminal disclaimer for the period of the

Cl. Ct. 347, 356–57 (1989)(agency has the inherent authority to manage its caseload by imposing sanctions including precluding party from presenting further evidence, disciplining of representative, or imposing costs against the representative or the party in interest). As the Office is an entirely fee-funded entity, it is reasonable to impose a monetary sanction on a party causing an unnecessary and inordinate expenditure

of Office resources to cover the costs incurred by the Office due to such action, rather than impose these costs on the Office's customers in general.

Nevertheless, the Office has amended §§ 1.4(d)(2) and 10.18 with the objective of discouraging the filing of frivolous or patently unwarranted correspondence in the Office, not to routinely review correspondence for compliance with § 10.18(b)(2) and impose sanctions under § 10.18(c). Thus, the amendment to §§ 1.4(d)(2) and 10.18 should cause no concern to practitioners and *pro se* applicants engaging in the ordinary course of business before the Office. The Office anticipates that sanctions under § 10.18(c) will be imposed only in rare situations in which such action is necessary for the Office to halt a clear abuse that is resulting in a needless and inordinate expenditure of Office resources.

Where the circumstances of an application or other proceeding warrant a determination of whether there has been a violation of § 10.18(b), the file or the application or other proceeding will be forwarded to the Office of Enrollment and Discipline (OED) for a determination of whether there has been a violation of § 10.18(b). In the event that OED determines that a provision of § 10.18(b) has been violated, the Commissioner, or the Commissioner's designee, will determine what (if any) sanction(s) under § 10.18(c) is to be imposed in the application or other proceeding. In addition, if OED determines that a provision of § 10.18(b) has been violated by a practitioner, OED will determine whether such practitioner is to be subject to disciplinary action (see §§ 1.4(d)(2) and 10.18(d)). That is, OED will provide a determination of whether there has been a violation of § 10.18(b), and if such violation is by a practitioner, whether such practitioner is to be subject to disciplinary action; however, OED will not be responsible for imposing sanctions under § 10.18(c) in an application or other proceeding.

Section 10.18(d) provides that any practitioner violating the provisions of this section may also be subject to disciplinary action. This paragraph (and the corresponding provision of § 1.4(d)(2)) clarifies that a practitioner may be subject to disciplinary action in lieu of, or in addition to, the sanctions set forth in § 10.18(c) for violations of § 10.18.

Comment 102: A number of comments supported the changes to § 1.4(d) to make its certification applicable to all papers signed and submitted to the Office.

Response: The Office will adopt the changes to make such a certification applicable to all papers filed in the Office, but will do so by placing the certification requirement in § 10.18, and providing in § 1.4(d) that the presentation of any paper to the Office, whether by a practitioner or non-practitioner, constitutes a certification under § 10.18. Thus, the presentation of a paper to the Office by any person (even a non-practitioner) constitutes a certification under § 10.18.

Comment 103: A number of comments opposed the change to § 1.4(d) as increasing the burden on persons presenting papers to the Office, and, as such, inconsistent with the stated goal of reducing the burden on the public. One comment indicated that new burdens in § 1.4(d) on signers of papers submitted to the Office include: (1) conducting a reasonable inquiry concerning the document to be submitted to the Office; (2) not submitting the document to harass or seek a needless increase in the cost of prosecution; and (3) submitting only documents likely to have evidentiary support after a reasonable opportunity for further investigation or discovery.

Response: The change to §§ 1.4(d) and 10.18 should discourage the filing of frivolous papers in the Office, and thus reduce the cost to the Office of treating such papers, which cost is ultimately borne by the Office's customers. Thus, this change to §§ 1.4(d) and 10.18 will reduce the burden on the public and to the Office's customers in general. There is no reasonable argument as to why a person filing a document in the Office should be permitted to avoid the "burden" of conducting a reasonable inquiry concerning the document to be submitted to the Office, not submitting the document to harass or seek a needless increase in the cost of prosecution, or submitting only documents likely to have evidentiary support after a reasonable opportunity for further investigation or discovery.

Comment 104: Several comments opposed the addition of § 1.4(d)(2) (now § 10.18(b)(2)) on the basis that the phrase "formed after an inquiry reasonable under the circumstances" was too vague or was unclear as to how much of an inquiry must be made to meet the "reasonable inquiry" requirement.

Response: The phrase "formed after an inquiry reasonable under the circumstances" is taken from Rule 11(b) of the Federal Rules of Civil Procedure (Fed. R. Civ. P. 11(b)), which provides that:

> Representations to Court. By presenting to the court (whether by signing, filing, submitting, or later advocating) a pleading, written motion, or other paper, an attorney or unrepresented party is certifying that to the best of the person's knowledge, information and belief, formed after an inquiry reasonable under the circumstances—
>
> (1) it is not being presented for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation;
>
> (2) the claims, defenses, and other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law;
>
> (3) the allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and
>
> (4) the denials of factual contentions are warranted on the evidence or, if specifically so identified, are reasonably based on a lack of information or belief.

See Fed. R. Civ. P. 11(b)(1993).

Section 10.18(b)(2) tracks the language of Fed. R. Civ. P. 11(b)(1993) to avoid confusion as to what certifications a signature entails. The advisory committee notes to Fed. R. Civ. P. 11(b) provide further information on the "inquiry reasonable under the circumstances" requirement. *See Amendments to the Federal Rules of Civil Procedure* at 50–53 (1993), *reprinted in* 146 F.R.D. 401, 584–87. The "inquiry reasonable under the circumstances" requirement of § 10.18(b)(2) is identical to that in Fed. R. Civ. P. 11(b). The Federal courts have stated in regard to the "reasonable inquiry" requirement of Fed. R. Civ. P. 11:

> In requiring reasonable inquiry before the filing of any pleading in a civil case in federal district court, Rule 11 demands "an objective determination of whether a sanctioned party's conduct was reasonable under the circumstances." In effect it imposes a negligence standard, for negligence is a failure to use reasonable care. The equation between negligence and the failure to conduct a reasonable precomplaint inquiry is . . . that "the amount of investigation required by Rule 11 depends on both the time available to investigate and on the probability that more investigation will turn up important evidence; the Rule does not require steps that are not cost-justified."

Hays v. *Sony Electronics*, 847 F.2d 412, 418, 7 USPQ2d 1043, 1048 (7th. Cir. 1988)(citations omitted)(decided prior to the 1993 amendment to Fed. R. Civ. P. 11, but discussing a "reasonable under the circumstances" standard).

Comment 105: One comment opposed the change in § 1.4(d) to import the verification requirement into any papers signed and submitted to the Office, on

disciplinary action. This paragraph (and the corresponding provision of § 1.4(d)(2)) clarifies that a practitioner may be subject to disciplinary action in lieu of, or in addition to, the sanctions set forth in § 10.18(c) for violations of § 10.18.

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Response: The change to §§ 1.4(d) and 10.18 should discourage the filing of frivolous papers in the Office, and thus reduce the cost to the Office of treating such papers, which cost is ultimately borne by the Office's customers. Thus, this change to §§ 1.4(d) and 10.18 will reduce the burden on the public and to the Office's customers in general. There is no reasonable argument as to why a person filing a document in the Office should be permitted to avoid the "burden" of conducting a reasonable inquiry concerning the document to be submitted to the Office, not submitting the document to harass or seek a needless increase in the cost of prosecution, or submitting only documents likely to have evidentiary support after a reasonable opportunity for further investigation or discovery.

Comment 104: Several comments opposed the addition of § 1.4(d)(2) (now § 10.18(b)(2)) on the basis that the phrase "formed after an inquiry reasonable under the circumstances" was too vague or was unclear as to how much of an inquiry must be made to meet the "reasonable inquiry" requirement.

Response: The phrase "formed after an inquiry reasonable under the circumstances" is taken from Rule 11(b) of the Federal Rules of Civil Procedure (Fed. R. Civ. P. 11(b)), which provides that:

Representations to Court. By presenting to the court (whether by signing, filing, submitting, or later advocating) a pleading, written motion, or other paper, an attorney or unrepresented party is certifying that to the best of the person's knowledge, information and belief, formed after an inquiry reasonable under the circumstances—

(1) it is not being presented for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation;

(2) the claims, defenses, and other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law;

(3) the allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and

(4) the denials of factual contentions are warranted on the evidence or, if specifically so identified, are reasonably based on a lack of information or belief.

See Fed. R. Civ. P. 11(b)(1993).

Section 10.18(b)(2) tracks the language of Fed. R. Civ. P. 11(b)(1993) to avoid confusion as to what certifications a signature entails. The advisory committee notes to Fed. R. Civ. P. 11(b) provide further information on the "inquiry reasonable under the circumstances" requirement. *See Amendments to the Federal Rules of Civil Procedure* at 50–53 (1993), *reprinted in* 146 F.R.D. 401, 584–87. The "inquiry reasonable under the circumstances" requirement of § 10.18(b)(2) is identical to that in Fed. R. Civ. P. 11(b). The Federal courts have stated in regard to the "reasonable inquiry" requirement of Fed. R. Civ. P. 11:

In requiring reasonable inquiry before the filing of any pleading in a civil case in federal district court, Rule 11 demands "an objective determination of whether a sanctioned party's conduct was reasonable under the circumstances." In effect it imposes a negligence standard, for negligence is a failure to use reasonable care. The equation between negligence and the failure to conduct a reasonable precomplaint inquiry is . . . that "the amount of investigation required by Rule 11 depends on both the time available to investigate and on the probability that more investigation will turn up important evidence; the Rule does not require steps that are not cost-justified."

Hays v. *Sony Electronics*, 847 F.2d 412, 418, 7 USPQ2d 1043, 1048 (7th. Cir. 1988)(citations omitted)(decided prior to the 1993 amendment to Fed. R. Civ. P. 11, but discussing a "reasonable under the circumstances" standard).

Comment 105: One comment opposed the change in § 1.4(d) to import the verification requirement into any papers signed and submitted to the Office, on

the basis that the presence of a verification actually on the paper signed and submitted to the Office would cause the signer to carefully consider what is being signed and submitted to the Office.

Response: A separate verification requirement for certain papers results in delays during the examination of an application when such verification is omitted. The Office is convinced that people are inclined to either not make false, misleading or inaccurate statements in documents they sign, or are not deterred from making such statements by the presence of a verification clause in the document. The benefit obtained in the rare instance in which a person otherwise inclined to make a false, misleading or inaccurate statement is persuaded not to do so by a verification clause simply does not outweigh the benefit obtained by the elimination of the delay that results from the requirement for such a verification clause.

Comment 106: One comment opposed the change to § 1.4(d) (now § 10.18(b)(2)) on the basis that "reasonable inquiry" requirement therein will expose a practitioner to malpractice liability.

Response: Legal malpractice is not an issue of Federal patent (or trademark) law, but of common law sounding in tort. *See Voight* v. *Kraft,* 342 F. Supp 821, 822, 174 USPQ 294, 295 (D. Idaho 1972). Section 10.18(b)(2) does not affect the duty (or create a new duty) on the part of a practitioner to his or her client *vis-à-vis* the submission of papers to the Office.

The party's duties under § 10.18 are not to one's own clients; it is to the public in general, other parties before the Office (the examination of whose applications are delayed while the Office is, and whose fees must be applied to the cost of, responding to frivolous papers), and to the Office. *Cf. Mars Steel Corp.* v. *Continental Bank,* 880 F.2d 928, 932 (7th. Cir. 1989)(just as tort law creates duties to one's client, Fed. R. Civ. P. 11 creates a duty to one's adversary, other litigants in the courts's queue, and the court itself); *Hays,* 847 F.2d at 418, 7 USPQ2d at 1049 (same).

Comment 107: One comment indicated that the requirements in § 1.4(d)(2) (now § 10.18(b)(2)) may be onerous as to persons not registered to practice before the Office. Another comment opposed this change on the basis that it would create new issues during litigation, in that few non-lawyers have enough legal knowledge to accurately verify that the documents they sign are consistent with the law. The comment suggested that § 1.4(d)(2) simply be amended to include the verification statement from § 1.68.

Response: There is no reasonable argument as to why the certification for papers submitted to the Office should be any less than the certification required under Fed. R. Civ. P. 11(b) for papers filed in the Federal courts. The Federal Rules of Civil Procedure do not permit a *pro se* litigant to avoid the requirements of Fed. R. Civ. P. 11(b) ("By presenting * * * an attorney or unrepresented party is certifying * * * ." (emphasis added)). It is, however, appropriate to take account of the special circumstances of *pro se* applicants in determining whether sanctions under § 10.18(c) are appropriate. *See* advisory committee notes to Fed. R. Civ. P. 11 (1983), *reprinted in* 97 F.R.D. 165, 198–99 (1983) ("Although the standard is the same for unrepresented parties, who are obligated themselves to sign the [papers], the court has sufficient discretion to take account of the special circumstances that often arise in *pro se* situations").

The Office expects that *pro se* applicants will often submit arguments that evidence little, if any, appreciation of the applicable law or procedure. The Office is not adopting §§ 1.4(d)(2) and 10.18 (b) and (c) for the purpose of imposing, and does not intend to impose, sanctions on *pro se* applicants in situations in which they simply submit arguments lacking an appreciation of the applicable law or procedure. *See Finch* v. *Hughes Aircraft Co.,* 926 F.2d 1574, 1582, 17 USPQ2d 1914, 1921 (Fed. Cir. 1991) ("courts are particularly cautious about imposing sanctions on a *pro se* litigant, whose improper conduct may be attributed to ignorance of the law and proper procedures"); *see also Hornback* v. *U.S.,* 40 USPQ2d 1694, 1697 (Cl. Ct. 1996) (*pro se* without legal training is not held to the same standard as trained counsel).

Where, however, a *pro se* applicant engages in a course of conduct that any reasonable person should have known was improper, and which causes a needless and inordinate expenditure of Office resources, such conduct may result in the imposition of sanctions on the *pro se* applicant. The Federal courts have subjected *pro se* litigants to sanctions for: (1) Taking or persisting in actions that even a non-lawyer should have known were frivolous; (2) taking or persisting in actions that, after engaging in a sufficient course of litigation, the *pro se* litigant should have known were frivolous; or (3) taking or persisting in actions after having been warned by the court that such actions were frivolous. *See Constant* v. *U.S.,* 929 F.2d 654, 658, 18 USPQ2d 1298, 1301 (Fed. Cir.), *cert. denied,* 501 U.S. 1206 (1991); *Finch,* 926 F.2d at 1582–83, 17 USPQ2d at 1921; *U.S. ex rel. Taylor* v. *Times Herald Record,* 22 USPQ2d 1716, 1718 (S.D.N.Y. 1992), *aff'd,* 990 F.3d 623 (2d Cir. 1993)(table).

Comment 108: One comment argued that the change to § 1.4(d) would be particularly difficult to apply in the context of provisional applications.

Response: The patent statute and rules of practice do not require any papers other than a disclosure (with or without claims) and a cover sheet for a provisional application (*e.g.,* an applicant need and should not submit legal arguments or other contentions with a provisional application). Thus, it is highly unlikely that the filing of a provisional application will result in a violation of § 10.18(b).

Comment 109: One comment opposed the change to § 1.4(d) on the basis that it was not clear whether a practitioner has an obligation in the case of a submission of a statement of facts to inform the party making the statement (or the client) of this certification effect, and the sanctions applicable to noncompliance. Another comment indicated that practitioners will now be placed under the obligation of questioning their clients each time they are given information or instructions.

Response: The submission by an applicant of misleading or inaccurate statements of facts during the prosecution of applications for patent has resulted in the patents issuing on such applications being held unenforceable. *See, e.g., Refac International Ltd.* v. *Lotus Development Corp.,* 81 F.3d 1576, 38 USPQ2d 1665 (Fed. Cir. 1996); *Paragon Podiatry Laboratory, Inc.* v. *KLM Laboratories, Inc.,* 984 F.2d 1182, 25 USPQ2d 1561 (Fed. Cir 1993); *Rohm and Haas Corp.* v. *Crystal Chemical Co.,* 722 F.2d 1556, 200 USPQ 289 (Fed. Cir. 1983), *cert. denied,* 469 U.S. 851 (1984); *Ott* v. *Goodpasture,* 40 USPQ2d 1831 (D.N. Tex. 1996); *Herman* v. *William Brooks Shoe Co.,* 39 USPQ2d 1773 (S.D.N.Y. 1996); *Golden Valley Microwave Food Inc.* v. *Weaver Popcorn Co.,* 837 F. Supp. 1444, 24 USPQ2d 1801 (N.D. Ind. 1992), *aff'd,* 11 F.3d 1072 (Fed. Cir. 1993)(table), *cert. denied,* 511 U.S. 1128 (1994). Likewise, false statements by a practitioner in a paper submitted to the Office during the prosecution of an application for patent has resulted in the patent issuing on such application also being held unenforceable. *See General Electro Music Corp.* v. *Samick Music Corp.,* 19 F.3d 1405, 30 USPQ2d 1149 (Fed. Cir. 1994)(false statement in

Comment 107: One comment indicated that the requirements in § 1.4(d)(2) (now § 10.18(b)(2)) may be onerous as to persons not registered to practice before the Office. Another comment opposed this change on the basis that it would create new issues during litigation, in that few non-lawyers have enough legal knowledge to accurately verify that the documents they sign are consistent with the law. The comment suggested that § 1.4(d)(2) result in the imposition of sanctions on the *pro se* applicant. The Federal courts have subjected *pro se* litigants to sanctions for: (1) Taking or persisting in actions that even a non-lawyer should have known were frivolous; (2) taking or persisting in actions that, after engaging in a sufficient course of litigation, the *pro se* litigant should have known were frivolous; or (3) taking or persisting in actions after having been warned by the court that such actions were frivolous. Supp. 1444, 24 USPQ2d 1801 (N.D. Ind. 1992), *aff'd,* 11 F.3d 1072 (Fed. Cir. 1993)(table), *cert. denied,* 511 U.S. 1128 (1994). Likewise, false statements by a practitioner in a paper submitted to the Office during the prosecution of an application for patent has resulted in the patent issuing on such application also being held unenforceable. *See General Electro Music Corp.* v. *Samick Music Corp.,* 19 F.3d 1405, 30 USPQ2d 1149 (Fed. Cir. 1994)(false statement in

a petition to make an application special constitutes inequitable conduct, and renders the patent issuing on such application unenforceable). In addition, the failure to exercise due care in ascertaining the accuracy of the statements in a certification submitted to the Office has also resulted in a patent being held invalid. *See DH Technology*, 937 F. Supp. at 910; 40 USPQ2d at 1761.

For the above-stated reasons, it is highly advisable for a practitioner to advise a client or third party that any information so provided must be reliable and not misleading, regardless of this amendment to §§ 1.4(d)(2) and 10.18. Nevertheless, §§ 1.4(d)(2) and 10.18 as adopted do not require a practitioner to advise the client (or third party) providing information of this certification effect (or the sanctions applicable to noncompliance), or question the client (or third party) when such information or instructions are provided. When a practitioner is submitting information (*e.g.*, a statement of fact) from the applicant or a third party, or relying in arguments upon information from the applicant or a third party, the Office will consider a practitioner's "inquiry reasonable under the circumstances" duty under § 10.18 met so long as the practitioner has no knowledge of information that is contrary to the information provided by the applicant or third party or would otherwise indicate that the information provided by the applicant or third party was so provided for the purpose of a violation of § 10.18 (*e.g.*, was submitted to cause unnecessary delay).

An applicant has no duty to conduct a prior art search as a prerequisite to filing an application for patent. *See Nordberg, Inc.* v. *Telsmith, Inc.*, 82 F.3d 394, 397, 38 USPQ2d 1593, 1595–96 (Fed. Cir. 1996); *FMC Corp.* v. *Hennessy Indus., Inc.*, 836 F.2d 521, 526 n.6, 5 USPQ2d 1272, 1275–76 n.6 (Fed. Cir. 1987); *FMC Corp.* v. *Manitowoc Co., Inc.*, 835 F.2d 1411, 1415, 5 USPQ2d 1112, 1115 (Fed. Cir. 1987); *American Hoist & Derrick Co.* v. *Sowa & Sons, Inc.*, 725 F.2d 1350, 1362, 220 USPQ 763, 772 (Fed. Cir.), *cert. denied*, 469 U.S. 821, 224 USPQ 520 (1984). The "inquiry reasonable under the circumstances" requirement of § 10.18 does not create any new duty on the part of an applicant for patent to conduct a prior art search. *See* MPEP 609; *cf. Judin* v. *United States*, 110 F.3d 780, 42 USPQ2d 1300 (Fed. Cir 1997)(the failure to obtain and examine the accused infringing device prior to bringing a civil action for infringement violates the 1983 version of Fed. R. Civ. P. 11). The "inquiry reasonable under the circumstances" requirement of § 10.18, however, will require an inquiry into the underlying facts and circumstances when a practitioner provides conclusive statements to the Office (*e.g.*, a statement that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to § 1.137(b) was unintentional).

Section 10.23

Section 10.23 is amended to change the phrase "knowingly signing" to "signing." This amendment to § 10.23 is for consistency with § 10.18, which contains no "knowingly" provision or requirement.

Review Under the Paperwork Reduction Act of 1995

This final rule contains information collection requirements which are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). The principal impact of this Final Rule is: (1) elimination of unnecessary rules of practice; (2) simplification or elimination of certain requirements of the rules of practice; (3) rearrangement of certain rules to improve their context; and (4) clarification of the requirements of the rules of practice.

The title, description and respondent description of each of the information collections are shown below with an estimate of each of the annual reporting burdens. The collections of information in this Final Rule have been reviewed and approved by OMB under the following control numbers: 0651–0016, 0651–0021, 0651–0022, 0651–0027, 0651–0031, 0651–0032, 0651–0033, 0651–0034, 0651–0035, and 0651–0037. Included in each estimate is the time for reviewing instructions, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

OMB Number: 0651–0016.

Title: Rules for Patent Maintenance Fees.

Form Numbers: PTO/SB/45/46/47/65/66.

Type of Review: Approved through July of 1999.

Affected Public: Individuals or Households, Business or Other For-Profit, Not-for-Profit Institutions and Federal Government.

Estimated Number of Respondents: 273,800.

Estimated Time Per Response: 0.08 hour.

Estimated Total Annual Burden Hours: 22,640 hours.

Needs and Uses: Maintenance fees are required to maintain a patent, except for design or plant patents, in force under 35 U.S.C. 41(b). Payment of maintenance fees are required at 3½, 7½ and 11½ years after the grant of the patent. A patent number and application number of the patent on which maintenance fees are paid are required in order to ensure proper crediting of such payments.

OMB Number: 0651–0021.

Title: Patent Cooperation Treaty.

Form Numbers: PCT/RO/101,ANNEX/134/144, PTO–1382, PCT/IPEA/401, PCT/IB/328.

Type of Review: Approved through May of 2000.

Affected Public: Individuals or Households, Business or Other For-Profit, Federal Agencies or Employees, Not-for-Profit Institutions, Small Businesses or Organizations.

Estimated Number of Respondents: 102,950.

Estimated Time Per Response: 0.9538 hour.

Estimated Total Annual Burden Hours: 98,195 hours.

Needs and Uses: The information collected is required by the Patent Cooperation Treaty (PCT). The general purpose of the PCT is to simplify the filing of patent applications on the same invention in different countries. It provides for a centralized filing procedure and a standardized application format.

OMB Number: 0651–0022.

Title: Deposit of Biological Materials for Patent Purposes.

Form Numbers: None.

Type of Review: Approved through December of 1997.

Affected Public: Individuals or Households, State or Local Governments, Farms, Business or Other For-Profit, Federal Agencies or Employees, Not-for-Profit Institutions, Small Businesses or Organizations.

Estimated Number of Respondents: 3,325.

Estimated Time Per Response: 1.0 hour.

Estimated Total Annual Burden Hours: 3,325 hours.

Needs and Uses: Information on depositing of biological materials in depositories is required for (1) Office determination of compliance with the

"inquiry reasonable under the circumstances" requirement of § 10.18 does not create any new duty on the part of an applicant for patent to conduct a prior art search. *See* MPEP 609; *cf. Judin* v. *United States*, 110 F.3d 780, 42 USPQ2d 1300 (Fed. Cir 1997)(the failure to obtain and examine the accused infringing device prior to bringing a civil action for infringement violates the 1983 version of Fed. R. Civ. P. 11). The "inquiry reasonable under the circumstances" requirement of § 10.18, however, will require an inquiry into the underlying facts and circumstances when a practitioner provides conclusive statements to the Office (*e.g.*, a statement that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to § 1.137(b) was unintentional).

Section 10.23

Section 10.23 is amended to change the phrase "knowingly signing" to "signing." This amendment to § 10.23 is for consistency with § 10.18, which contains no "knowingly" provision or requirement.

Review Under the Paperwork Reduction Act of 1995

This final rule contains information collection requirements which are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). The principal impact of this Final Rule is: (1) elimination of unnecessary rules of practice; (2) simplification or elimination of certain requirements of the rules of practice; (3) rearrangement of certain rules to improve their context; and (4) clarification of the requirements of the rules of practice.

The title, description and respondent description of each of the information collections are shown below with an estimate of each of the annual reporting burdens. The collections of information in this Final Rule have been reviewed and approved by OMB under the following control numbers: 0651–0016, 0651–0021, 0651–0022, 0651–0027, 0651–0031, 0651–0032, 0651–0033, 0651–0034, 0651–0035, and 0651–0037. Included in each estimate is the time for reviewing instructions, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

OMB Number: 0651–0016.

Title: Rules for Patent Maintenance Fees.

Form Numbers: PTO/SB/45/46/47/65/66.

Type of Review: Approved through July of 1999.

Affected Public: Individuals or Households, Business or Other For-Profit, Not-for-Profit Institutions and Federal Government.

Estimated Number of Respondents: 273,800.

Estimated Time Per Response: 0.08 hour.

Estimated Total Annual Burden Hours: 22,640 hours.

Needs and Uses: Maintenance fees are required to maintain a patent, except for design or plant patents, in force under 35 U.S.C. 41(b). Payment of maintenance fees are required at 3½, 7½ and 11½ years after the grant of the patent. A patent number and application number of the patent on which maintenance fees are paid are required in order to ensure proper crediting of such payments.

OMB Number: 0651–0021.

Title: Patent Cooperation Treaty.

Form Numbers: PCT/RO/101,ANNEX/134/144, PTO–1382, PCT/IPEA/401, PCT/IB/328.

Type of Review: Approved through May of 2000.

Affected Public: Individuals or Households, Business or Other For-Profit, Federal Agencies or Employees, Not-for-Profit Institutions, Small Businesses or Organizations.

Estimated Number of Respondents: 102,950.

Estimated Time Per Response: 0.9538 hour.

Estimated Total Annual Burden Hours: 98,195 hours.

Needs and Uses: The information collected is required by the Patent Cooperation Treaty (PCT). The general purpose of the PCT is to simplify the filing of patent applications on the same invention in different countries. It provides for a centralized filing procedure and a standardized application format.

OMB Number: 0651–0022.

Title: Deposit of Biological Materials for Patent Purposes.

Form Numbers: None.

Type of Review: Approved through December of 1997.

Affected Public: Individuals or Households, State or Local Governments, Farms, Business or Other For-Profit, Federal Agencies or Employees, Not-for-Profit Institutions, Small Businesses or Organizations.

Estimated Number of Respondents: 3,325.

Estimated Time Per Response: 1.0 hour.

Estimated Total Annual Burden Hours: 3,325 hours.

Needs and Uses: Information on depositing of biological materials in depositories is required for (1) Office determination of compliance with the

patent statute where the invention sought to be patented relies on biological material subject to deposit requirement, which includes notifying interested members of the public where to obtain samples of deposits, and (2) depositories desiring to be recognized as suitable by the Office.

OMB Number: 0651–0027.
Title: Changes in Patent and Trademark Assignment Practices.
Form Numbers: PTO–1618 and PTO–1619, PTO/SB/15/41.
Type of Review: Approved through September of 1998.
Affected Public: Individuals or Households and Businesses or Other For-Profit.
Estimated Number of Respondents: 170,000.
Estimated Time Per Response: 0.57 hour.
Estimated Total Annual Burden Hours: 97,000 hours.
Needs and Uses: The Office records about 170,000 assignments or documents related to ownership of patent and trademark cases each year. The Office requires a cover sheet to expedite the processing of these documents and to ensure that they are properly recorded.

OMB Number: 0651–0031.
Title: Patent Processing (Updating).
Form Numbers: PTO/SB/08–12/21–26/31/32/42/43/61–64/67–69/91–93/96/97.
Type of Review: Approved through October of 1999.
Affected Public: Individuals or Households, Business or Other For-Profit Institutions, Not-for-Profit Institutions and Federal Government.
Estimated Number of Respondents: 1,690,690.
Estimated Time Per Response: 0.361 hours.
Estimated Total Annual Burden Hours: 644,844 hours.
Needs and Uses: During the processing for an application for a patent, the applicant/agent may be required or desire to submit additional information to the Office concerning the examination of a specific application. The specific information required or which may be submitted includes: Information Disclosure Statements; Terminal Disclaimers; Petitions to Revive; Express Abandonments; Appeal Notices; Small Entity; Petitions for Access; Powers to Inspect; Certificates of Mailing; Certificates under § 3.73(b); Amendments, Petitions and their Transmittal Letters; and Deposit Account Order Forms.

OMB Number: 0651–0032.
Title: Initial Patent Application.
Form Number: PTO/SB/01–07/17–20/101–109.
Type of Review: Approved through September of 1998.
Affected Public: Individuals or Households, Business or Other For-Profit, Not-for-Profit Institutions and Federal Government.
Estimated Number of Respondents: 243,100.
Estimated Time Per Response: 7.88 hours.
Estimated Total Annual Burden Hours: 1,915,500 hours.
Needs and Uses: The purpose of this information collection is to permit the Office to determine whether an application meets the criteria set forth in the patent statute and regulations. The standard Fee Transmittal form, New Utility Patent Application Transmittal form, New Design Patent Application Transmittal form, New Plant Patent Application Transmittal form, Plant Color Coding Sheet, Declaration, and Plant Patent Application Declaration will assist applicants in complying with the requirements of the patent statute and regulations, and will further assist the Office in processing and examination of the application.

OMB Number: 0651–0033.
Title: Post Allowance and Refiling.
Form Numbers: PTO/SB/13/14/44/50–57; PTOL–85b.
Type of Review: Approved through June of 1999.
Affected Public: Individuals or Households, Business or Other For-Profit, Not-for-Profit Institutions and Federal Government.
Estimated Number of Respondents: 135,190.
Estimated Time Per Response: 0.325 hour.
Estimated Total Annual Burden Hours: 43,893 hours.
Needs and Uses: This collection of information is required to administer the patent laws pursuant to title 35, U.S.C., concerning the issuance of patents and related actions including correcting errors in printed patents, refiling of patent applications, requesting reexamination of a patent, and requesting a reissue patent to correct an error in a patent. The affected public includes any individual or institution whose application for a patent has been allowed or who takes action as covered by the applicable rules.

OMB Number: 0651–0034.
Title: Secrecy/License to Export.
Form Numbers: None.
Type of Review: Approved through January of 1998.
Affected Public: Individuals or Households, Business or Other For-Profit, Not-for-Profit Institutions and Federal Government.
Estimated Number of Respondents: 2,156.
Estimated Time Per Response: 0.5 hour.
Estimated Total Annual Burden Hours: 1,129 hours.
Needs and Uses: In the interest of national security, patent laws and regulations place certain limitations on the disclosure of information contained in patents and patent applications and on the filing of applications for patent in foreign countries.

OMB Number: 0651–0035.
Title: Address-Affecting Provisions.
Form Numbers: PTO/SB/82/83.
Type of Review: Approved through June of 1999.
Affected Public: Individuals or Households, Business or Other For-Profit, Not-for-Profit Institutions and Federal Government.
Estimated Number of Respondents: 44,850.
Estimated Time Per Response: 0.2 hour.
Estimated Total Annual Burden Hours: 8,970 hours.
Needs and Uses: Under existing law, a patent applicant or assignee may appoint, revoke or change a representative to act in a representative capacity. Also, an appointed representative may withdraw from acting in a representative capacity. This collection includes the information needed to ensure that Office correspondence reaches the appropriate individual.

OMB Number: 0651–0037.
Title: Provisional Applications.
Form Numbers: PTO/SB/16.
Type of Review: Approved through January of 1998.
Affected Public: Individuals or Households, Business or Other For-Profit, Not-for-Profit Institutions and Federal Government.
Estimated Number of Respondents: 6,000.
Estimated Time Per Response: 0.2 hour.
Estimated Total Annual Burden Hours: 1,200 hours.
Needs and Uses: The information included on the provisional application cover sheet is needed by the Office to identify the submission as a provisional application and not some other kind of submission, to promptly and properly process the provisional application, to prepare the provisional application filing receipt which is sent to the applicant, and to identify those provisional applications which must be reviewed by the Office for foreign filing licenses.

which may be submitted includes: Information Disclosure Statements; Terminal Disclaimers; Petitions to Revive; Express Abandonments; Appeal Notices; Small Entity; Petitions for Access; Powers to Inspect; Certificates of Mailing; Certificates under § 3.73(b); Amendments, Petitions and their Transmittal Letters; and Deposit Account Order Forms.

OMB Number: 0651–0032.
Title: Initial Patent Application.

public includes any individual or institution whose application for a patent has been allowed or who takes action as covered by the applicable rules.

OMB Number: 0651–0034.
Title: Secrecy/License to Export.
Form Numbers: None.
Type of Review: Approved through January of 1998.
Affected Public: Individuals or Households, Business or Other For-

included on the provisional application cover sheet is needed by the Office to identify the submission as a provisional application and not some other kind of submission, to promptly and properly process the provisional application, to prepare the provisional application filing receipt which is sent to the applicant, and to identify those provisional applications which must be reviewed by the Office for foreign filing licenses.

As required by the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)), the Office has submitted a copy of this Final Rule to OMB for its review of these information collections. Interested persons are requested to send comments regarding these information collections, including suggestions for reducing this burden, to the Office of Information and Regulatory Affairs of OMB, New Executive Office Bldg., 725 17th St. NW, rm. 10235, Washington, DC 20503, Attn: Desk Officer for the Patent and Trademark Office.

Other Considerations

This Final Rule is in conformity with the requirements of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), Executive Order 12612 (October 26, 1987), and the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). It has been determined that this rulemaking is not significant for the purposes of Executive Order 12866 (September 30, 1993).

The Assistant General Counsel for Legislation and Regulation of the Department of Commerce has certified to the Chief Counsel for Advocacy, Small Business Administration that this Final Rule would not have a significant impact on a substantial number of small entities (Regulatory Flexibility Act, 5 U.S.C. 605(b)). The principal impact of this Final Rule is: (1) elimination of unnecessary rules of practice; (2) simplification or elimination of certain requirements of the rules of practice; (3) rearrangement of certain rules to improve their context; and (4) clarification of the requirements of the rules of practice.

The Office has determined that this Final Rule has no Federalism implications affecting the relationship between the National Government and the States as outlined in Executive Order 12612.

List of Subjects

37 CFR Part 1

Administrative practice and procedure, Courts, Freedom of information, Inventions and patents, Reporting and recordkeeping requirements, Small businesses.

37 CFR Part 3

Administrative practice and procedure, Inventions and patents, Reporting and recordkeeping requirements.

37 CFR Part 5

Classified information, Foreign relations, Inventions and patents.

37 CFR Part 7

Administrative practice and procedure, Inventions and patents, Reporting and recordkeeping requirements.

37 CFR Part 10

Administrative practice and procedure, Inventions and patents, Lawyers, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, 37 CFR parts 1, 3, 5, 7 and 10 are amended as follows:

PART 1—RULES OF PRACTICE IN PATENT CASES

1. The authority citation for 37 CFR part 1 continues to read as follows:

Authority: 35 U.S.C. 6, unless otherwise noted.

2. Section 1.4 is amended by revising paragraph (d) and by adding paragraph (g) to read as follows:

§ 1.4 Nature of correspondence and signature requirements.

* * * * *

(d)(1) Each piece of correspondence, except as provided in paragraphs (e) and (f) of this section, filed in a patent or trademark application, reexamination proceeding, patent or trademark interference proceeding, patent file or trademark registration file, trademark opposition proceeding, trademark cancellation proceeding, or trademark concurrent use proceeding, which requires a person's signature, must either:

(i) Be an original, that is, have an original signature personally signed in permanent ink by that person; or

(ii) Be a direct or indirect copy, such as a photocopy or facsimile transmission (§ 1.6(d)), of an original. In the event that a copy of the original is filed, the original should be retained as evidence of authenticity. If a question of authenticity arises, the Patent and Trademark Office may require submission of the original.

(2) The presentation to the Office (whether by signing, filing, submitting, or later advocating) of any paper by a party, whether a practitioner or non-practitioner, constitutes a certification under § 10.18(b) of this chapter. Violations of § 10.18(b)(2) of this chapter by a party, whether a practitioner or non-practitioner, may result in the imposition of sanctions under § 10.18(c) of this chapter. Any practitioner violating § 10.18(b) may also be subject to disciplinary action. See §§ 10.18(d) and 10.23(c)(15).

* * * * *

(g) An applicant who has not made of record a registered attorney or agent may be required to state whether assistance was received in the preparation or prosecution of the patent application, for which any compensation or consideration was given or charged, and if so, to disclose the name or names of the person or persons providing such assistance. Assistance includes the preparation for the applicant of the specification and amendments or other papers to be filed in the Patent and Trademark Office, as well as other assistance in such matters, but does not include merely making drawings by draftsmen or stenographic services in typing papers.

3. Section 1.6 is amended by revising paragraphs (d)(3), (d)(6), and (e) and adding paragraph (f) to read as follows:

§ 1.6 Receipt of correspondence.

* * * * *

(d) * * *

(3) Correspondence which cannot receive the benefit of the certificate of mailing or transmission as specified in § 1.8(a)(2)(i) (A) through (D) and (F), § 1.8(a)(2)(ii)(A), and § 1.8(a)(2)(iii)(A), except that a continued prosecution application under § 1.53(d) may be transmitted to the Office by facsimile;

* * * * *

(6) Correspondence to be filed in a patent application subject to a secrecy order under §§ 5.1 through 5.5 of this chapter and directly related to the secrecy order content of the application;

* * * * *

(e) *Interruptions in U.S. Postal Service.* If interruptions or emergencies in the United States Postal Service which have been so designated by the Commissioner occur, the Patent and Trademark Office will consider as filed on a particular date in the Office any correspondence which is:

(1) Promptly filed after the ending of the designated interruption or emergency; and

(2) Accompanied by a statement indicating that such correspondence would have been filed on that particular date if it were not for the designated interruption or emergency in the United States Postal Service.

(f) *Facsimile transmission of a patent application under § 1.53(d).* In the event that the Office has no evidence of receipt of an application under § 1.53(d) (a continued prosecution application) transmitted to the Office by facsimile transmission, the party who transmitted the application under § 1.53(d) may petition the Commissioner to accord the application under § 1.53(d) a filing date as of the date the application under

Reporting and recordkeeping requirements, Small businesses.

37 CFR Part 3

Administrative practice and procedure, Inventions and patents, Reporting and recordkeeping requirements.

37 CFR Part 5

Classified information, Foreign relations, Inventions and patents.

party, whether a practitioner or non-practitioner, constitutes a certification under § 10.18(b) of this chapter. Violations of § 10.18(b)(2) of this chapter by a party, whether a practitioner or non-practitioner, may result in the imposition of sanctions under § 10.18(c) of this chapter. Any practitioner violating § 10.18(b) may also be subject to disciplinary action. See §§ 10.18(d) and 10.23(c)(15).

* * * * *

States Postal Service.

(f) *Facsimile transmission of a patent application under § 1.53(d).* In the event that the Office has no evidence of receipt of an application under § 1.53(d) (a continued prosecution application) transmitted to the Office by facsimile transmission, the party who transmitted the application under § 1.53(d) may petition the Commissioner to accord the application under § 1.53(d) a filing date as of the date the application under