AIPLA
AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION
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January 2, 2004

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Attention: Kery A. Fries

Notice of Proposed Rulemaking
Revision of Patent Term Extension and Patent Term Adjustment Provisions Related to Decisions by the Board of Patent Appeals and Interferences
68 Fed. Reg. 67818 (December 4, 2003)

Dear Mr. Commissioner:

The American Intellectual Property Law Association (AIPLA) appreciates the opportunity to offer comments on the rule and practice changes proposed by the United States Patent and Trademark Office (PTO) in the subject notice.

AIPLA is a national bar association whose more than 15,000 members are primarily lawyers in private and corporate practice, in government service, and in the academic community. The AIPLA represents a wide and diverse spectrum of individuals, companies and institutions involved directly or indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property.

AIPLA supports the efforts of the PTO to restore patent term to applicants where the grant of a patent has been delayed by action of the Board that is “tantamount to a decision reversing the adverse patentability determination.” (68 Fed. Reg. at 67819, column 1). However, we have the following concerns that are addressed in more detail below: (1) whether the PTO has the authority to interpret a remand from the Board as a decision reversing an adverse determination of patentability by the Board of Patent Appeals and Interferences; (2) whether the proposal provides adequate relief where a remand from the Board ultimately results in the granting of a patent without any further

decision by the Board; and (3) whether the actions of the Board and/or the patent term adjustment staff can be altered to avoid both uncertainty and unfair loss of patent term extension/adjustment.

First, it is reasonably clear that Congress intended to compensate, both under Section 532(a) of the Uruguay Round Agreements Act (URAA) (Pub. L. 103-465, 108 Stat. 4809 (1994)) and the American Inventors Protection Act (AIPA) (Pub. L. 106-113, 113 Stat. 1501 (1999)), patent owners for loss of patent term caused by delays attributable to appellate review by the Board of Patent Appeals and Interferences or a Federal Court where the patent is issued pursuant to a decision in the review reversing an adverse determination of patentability. With respect to the statutory language in the URAA, very similar to the language in the AIPA, the Statement of Administrative Action stated:

> Section 532(a) also amends section 154 of Title 35 to provide for extension of the term of patents for up to a total of five years under certain circumstances. These circumstances include delays caused by interference proceedings under section 135(a), by the imposition of secrecy orders under section 181, or when a patent is issued after an adverse determination of patentability has been reversed on appeal by either the Board of Patent Appeals and Interferences or a federal court.

As noted in Section 101(d) of the URAA, the Statement of Administrative Action was approved by Congress as an authoritative expression by the United States concerning the interpretation of the URAA.

While it may be true that some remands of the Board or Court could be "tantamount" or equivalent to a reversal on appeal by either the Board or a Federal court depending on subsequent action by the examiner, such a remand is not a reversal "on appeal by either the Board of Patent Appeals and Interferences or a Federal court." Presumably Congress was aware of the differences between a remand by the Board (MPEP 1211, 5th Ed., Rev. 14, November 1992) and a decision by the Board reversing the examiner's decision (MPEP 1213, 5th Ed., Rev. 14, November 1992) at the time of enacting patent term extension (URAA) and patent term adjustment (AIPA) under 35 U.S.C. § 154(b), yet it clearly selected the language and requirement for a reversal "by either the Board of Patent Appeals and Interferences or a Federal court" as the event that triggers eligibility for patent term extension under the URAA and 35 U.S.C. § 154(b). There is no indication in the AIPA or its legislative history that we are aware of to suggest that patent term adjustment based on "a decision in the review reversing an adverse determination of patentability" could or would be triggered by a different event.

AIPLA is not confident that the courts will confirm the PTO's authority to interpret the statute in the manner proposed, and is reluctant to endorse a practice that will introduce uncertainty into the term of some issued patents. In addition, it is not clear how the recent proposals for changes in practice before the Board contained in the "Rules of Practice Before the Board of Patent Appeals and Interferences" published at 68 Fed. Reg. 66648-66691 (November 26, 2003) may affect the proposed term extension/adjustment proposal to which these comments are directed. For example, proposed § 41.50(e) provides:

> (e) Whenever a decision of the Board includes a remand, that decision shall not be considered final for judicial review. When appropriate, upon conclusion of proceedings on remand before the examiner, the Board may enter an order otherwise making its decision final for judicial review.

If the decision including a remand is not final, would this affect either eligibility for term extension/adjustment or the date used as the endpoint for calculation of the amount of patent term extension or adjustment?

Second, assuming the PTO has authority to interpret the statutory language in the manner proposed, the PTO has unnecessarily limited the application of that authority. Specifically, the PTO has proposed that a remand by the Board would trigger eligibility for term extension/adjustment when (1) a panel of the Board (as opposed to a Board Administrator) makes the remand, (2) a notice of allowance is mailed (a) without further review by the Board, (b) without further amendment of the application, and (c) without other action by the applicant. We believe that conditions (1), (2b) and (2c) are unnecessarily limited.

According to recent Board statistics for FY 2003, there were a similar number of Panel Remands (222) and Administrative Remands (232). While we are not aware of the specific division of labor and authority between a Board Panel and a Board Administrator, actions/decisions by a Panel and Administrator are made after jurisdiction of the appeal passes to the Board (MPEP 1210, 8th Ed., August 2001) and in the name of the Board. Accordingly, we believe it is improper to treat a Panel Remand different from an Administrative Remand for patent term extension/adjustment purposes.

For example, if a Board Administrator remands an application because the sole rejection on appeal relies on a patent with a filing date after the filing date of the application on appeal, and the examiner proceeds to allow all claims without further consideration by the Board, why shouldn't applicant be entitled to an appropriate term extension/adjustment?

Regardless of the official(s) at the Board who make a decision to remand the application to the examiner that effectively would have resulted in a reversal of an

adverse decision on patentability, the decision should trigger eligibility for patent term extension/adjustment. In addition, to the extent it is possible, a decision to remand by a Federal court that results in allowance of all claims should also trigger eligibility for patent term extension/adjustment.

A second limitation contained in the proposal that we regard as unfair and unnecessarily limited is conditioning eligibility on the absence of further amendment of the application after remand from the Board. It is unclear whether this condition applies to any amendment (e.g., an examiner's amendment canceling non-elected claims) or only an amendment made by applicant. In any event, many types of amendments may be required to put the application in condition for allowance that have nothing to do with whether the remand was "tantamount to a decision reversing an adverse patentability determination." For example, amendments may be required to correct some informality (e.g., typographical error, obvious lack of antecedent basis) previously overlooked by the examiner and applicant, amendments may be desirable to improve clarity of the claims, amendments may be required upon rejoinder of claims that were withdrawn from consideration pending the determination of an allowable product claim, or an amendment may even be required to avoid new prior art submitted to the PTO during the appeal process that the examiner must consider before allowance. All of these types of amendments may be necessary or desirable after remand from the Board, but would not affect any decision by the Board on an adverse determination of patentability. While it is understandable that an amendment that would affect the issue(s) presented to the Board by an adverse determination of patentability (e.g., incorporating a limitation from a dependent claim into the sole independent claim in the application) could justify denying an applicant eligibility for patent term extension/adjustment, it is both unnecessary and unfair to apply that principle to all amendments.

A third limitation contained in the proposal that we regard as unfair and unnecessarily limited is conditioning eligibility on the absence of any "other action by the applicant." Examples of these actions, according to the PTO, are the filing of a paper containing an argument, an affidavit or declaration, or an information disclosure statement. We would agree that additional arguments or evidence, even in the form of an information disclosure statement that cites evidence, supporting an argument for patentability could alter the Board decision and would justify the proposed policy. However, there are other actions that may or even must be taken by applicants that would not justify the proposed policy. An example would be the submission of an Information Disclosure Statement to fulfill a duty of candor and good faith to submit material information to the PTO under the provisions of § 1.97(e). An applicant should not be penalized for complying with this duty by denying eligibility for patent term extension/adjustment.

Finally, again assuming the PTO has authority to interpret the statutory language in the manner proposed, the PTO should consider a revision of the current rules that would permit/require the Board to designate a remand as being "tantamount to a

decision reversing the adverse patentability determination" that would trigger eligibility for patent term extension/adjustment. At the very least, the rules should reflect that eligibility for patent term extension/adjustment is available based on a Board or Federal court remand that is tantamount to a decision reversing an adverse patentability determination. In addition, an applicant should be able to ask for reconsideration under 37 C.F.R. § 1.705(b) of any calculation of term extension/adjustment that does not properly take into account the Board remand. It may be that the only fair way to administer the proposed new policy is on a case by case basis based on a review of the file history at the time a Notice of Allowance is mailed. In making its decisions and taking actions to dispose of appeals, the Board needs to be aware of and take into account the possible implications of its decisions on eligibility for patent term extension/adjustment and seek to avoid introducing uncertainty into the record and possibly denying some applicants potentially very valuable rights under § 154(b).

We appreciate the opportunity to provide comments on these proposed rules and would be pleased to assist in any way we can.

Sincerely,

Michael K. Kirk
Executive Director
AIPLA