

>>MALE SPEAKER

We can resume. We started claim construction before the break. We heard a little bit about the Phillips case and about the possibility that some issues still remain. I thought maybe we should start by looking a little more deeply into this. Phillips addressed certainly some of the aspects of the choice between intrinsic and extrinsic evidence. Let's try to talk about any remaining problems that it didn't get to that are pertinent to notice. I'd try to organize it within an intrinsic evidence and then extrinsic evidence and then perhaps other forms of issues. Within intrinsic evidence, is it now -- have we reached a point where we resort to the specification and prosecution history, reliably predictable or are there still some issues there? Chris.

>>CHRISTOPHER COTROPIA

I think that probably still the big sticking point is the kind of read in specification but don't read limitations in from the specification. And not that this provides any certainty beyond that, but this is where kind of notice and substantive goes in hand. There needs to be -- and you see some opinions recognize this, others not, the reason why we do that. The reason why we do that is because we've got these validity requirements under Section 112. There's a reason why the specifications and claims have to link up together. Those who were construing had a better understanding as to why, like why am I looking at the speck, what am I looking for? I'm looking to see if they're their own lexicographer. They had a claim term. It needs to be enabled. Let's take a look what the specification do written description-wise. I think that that might help some. But it's not going to give you absolute clarity, but I think it's going to link the substance up better with the notice you get in a sense if you're construing claims to be valid and looking at the specification because you have these 112 requirements, you've got a better linkage of a substantive

goal and you'll get a little better notice in combination.

>>MALE SPEAKER

Anyone else with thoughts on the intrinsic evidence viewpoint? What about the issue of determining when a claim is limited to specific embodiments? I take it that's still something that is -- that will require further thought, that will continue to come up? I see people shaking their heads yes.

>>FEMALE SPEAKER

Yeah. I think this is one of the ways in which you've got a canon and a counter-canon. And both have reasons for existing and so that's why as a consequence -- again, I'm a broken record on this. It's just important to figure out who your decision-maker is who's going to be applying the canon and the counter canon because I don't think either of those are going to go away. And I don't think they should go away.

>>MALE SPEAKER

Turning to extrinsic evidence, how clearly did Phillips resolve questions of when and how extrinsic evidence should be used in claim construction? I guess I'd start maybe with dictionaries because we've heard that idea suggested. Are there significant uncertainties regarding when you rely on a dictionary or which dictionary you'd consult or which definition to select?

>>FEMALE SPEAKER

Whether or not Phillips is clear, in the everyday world of litigation it's working. People look for the intrinsic evidence is much more important. The extrinsic evidence is very case specific. The dictionary in that art would be a preferred piece of extrinsic evidence. The one thing with litigation is everybody wants to have belt and suspenders, so expert testimony is almost always there. Do you need it? Well, you've got the expert, typically

somebody already there hanging around. So you use it. But I can tell you that this does seem to be functioning and people assume this is how it operates for good or bad and it's a system that seems to be working right now. If the notice function was better, would you be in that situation? Perhaps not. But this is just something that just seems to be working fairly smoothly, in my opinion.

>>MALE SPEAKER

Any other views? David.

>>DAVID KAPPOS

Yeah. One other comment on dictionaries. Bridging off of the Phillips case, I believe there is an opportunity for dictionaries to play a clearer role than they currently do. Unquestionably the Phillips case has made the matter of the use of dictionaries get better, but I think they can play a much better role and that is if we can get some guidance and perhaps the PTO to play a role in establishing, at least for the IT industry, a kind of a hierarchy of dictionaries that will be used as default to help define terms that aren't otherwise defined in patent specifications. So the way I would see this working is of course the applicant could be a lexicographer, right? And if a term is defined clear, he's perfectly fine. The applicant can choose a default dictionary, as long as it's readily available to be able to refer to it. If the examiner says I want all the terms in my claim construed according to the IEEE dictionary of computing, done. If a dictionary isn't specified, wouldn't it be wonderful if the PTO had a hierarchy set up to tell us if you don't tell us which dictionary to apply, we're going to apply these other dictionaries to try to find your term so that we can render clarity to it and understand what it means and therefore not have to have a fight in court later on whether the IEEE dictionary applies for the ACM dictionary applies or some company's dictionary applies or whatever. That

way you get clarity at the time of the examination as to what claim terms mean according to which dictionary.

>>MALE SPEAKER

Stephen.

>>STEPHEN KUNIN

I hate to disagree with Dave on this, but I think it's complete folly. And I'll start from the premise that it makes a whole lot of sense when you're dealing with English language applicants and English language technologies, but when you start dealing with applications coming from all over the world with different languages and translations and dictionaries, lack of adequate thesauri, I think it's an oversimplification to believe that you could apply that type of process in a manner in which it is presented. I think it's good to try to work on the problem. I just think it's much more complex than it's been laid out to be.

>>MALE SPEAKER

Michael.

>>MICHAEL MESSINGER

It kind of relates to both intrinsic and extrinsic evidence and remind all of us some of the ways we get the best clarity is when the best art is in the record. And some of the most frustrating situations we find, and Bob and David alluded to this earlier, is when you have a patent application that's filed. It's very broad and for whatever reason it was allowed on the first office action or very quickly with very little art provided by the applicant or art provided by the patent office in terms of nonpatent literature, patents and other things. Those are some of the most troublesome situations that people have been working on very hard recently. And to the extent that we keep getting the best art in the record

earliest in the process, my experience is examiners are very good at applying that art and at the same time that almost necessarily forces the applicant to be far more precise with their terms. They can't get away with these sort of broad-sweeping terms that read on very expansive areas of technology.

>>MALE SPEAKER

Terry?

>>TERESA STANEK REA

Point with respect to Phillips with respect to dictionaries. Phillips was not very -- it didn't praise dictionaries excessively because it thought of them as extrinsic evidence. But what Dave is pointing out is really interesting because then dictionaries in his approach would become part of the prosecution history. And that's intrinsic evidence. And so you change the role of dictionaries entirely in the way that Dave is suggesting.

>>MALE SPEAKER

Bob.

>>ROBERT CLARKE

You know, if you look at a dictionary at the time a patent application is initially filed, what it tells you for any term that's defined is what historically that term meant. Because dictionaries evolve over time and as new meanings develop and come into common usage, then the dictionary definition has to be modified to reflect what the usage has become. So if you actually wanted to do this, to understand, for example, what a word really meant, maybe you should look at a dictionary five or ten years later, which of course would then make it extrinsic evidence again. I think the main point here is that -- and I'm going to -- this is, you know, the late afternoon, so we need a few radical ideas.

>>FEMALE SPEAKER

Wake everyone up.

>>ROBERT CLARKE

Rather than having a new hierarchy and having people read dictionaries and write based on what the term used to mean, you could think of a patent examination paradigm where Rob finally gave us the perfect examination process. Really, as you say, Michael, all the prior art is there and all the Section 112 issues are examined. So by the time you get through this process of torture at the U.S. PTO, you actually have a patent document that without reference to the prosecution history would clearly lay out what the invention is. You can imagine using the rule used some places outside the United States where you look at the patent document itself and use that to construe the patent. And I would urge you to consider whether or not that kind of a system; in other words, not only no extrinsic evidence, but saying let's look at the fewest possible words to understand what the invention is and how it's being claimed might actually produce more predictability. I'll say it for the third time today. There's a tyranny of words. The notice requirement is a tyranny of words. And the more words we use to try to understand the words in the patent, the greater the opportunities for litigants to bring more words to the equation from more sources of more words, I think the less predictability you have in the patent system.

>>MALE SPEAKER

Some have suggested that claims are inherently ambiguous and that the best way to think about trying to improve the situation is move away from peripheral claiming and focus instead on the core of the invention and perhaps couple this with broader use of a doctrine of equivalence. How would people react to that? It's a radical idea, but you started us on that path. What do you think about that?

>>FEMALE SPEAKER

That scares me. Yeah. I mean, and I think there's a reason the doctrine of equivalence has been reduced in scope by the federal circuit, at least in the context of amended claims and probably should have been in the context of original claims as well. Judge Rader suggested that, but he hasn't convinced anyone yet. I just -- I think that that's just giving up the whole enterprise of the patent system, frankly.

>>MALE SPEAKER

Stephen.

>>STEPHEN KUNIN

I agree with Arti that one of the big problems when you go in that direction is that when you look at the doctrine of equivalence, you determine equivalence at the time of the infringement and you can essentially get a claim enforced for which you don't have your own 112 first paragraph support because it's later, unforeseeable technology. So it seems to me that when you start getting down that realm, you're unraveling this aspect of perhaps the value of adherence to 112 first paragraph requirements to improve the situation.

>>MALE SPEAKER

Chris.

>>CHRISTOPHER COTROPIA

I'll go the other direction. And there's actually -- I have a rationale. We'll see. I don't think necessarily we should get rid of peripheral claiming. It gives us a nice lens to take a look at the specification. We need to know what parts do you think are the combination and it helps examination, et cetera. I will say, though, if you look at a lot of claim interpretation cases, they're essentially substantive determinations. The judges

are saying should they be able to capture that variation or not? They couch it under this very kind of pristine, very methodical process of claim interpretation when really my bet is that's not what they invented, et cetera. These are substantive determinations. Should the limited claim to biologics get a later biologic or not? And the beauty of the doctrine of equivalence is it makes no debate about it. It is a substantive policy call, right? Is this equivalent or not? In some ways we kind of take the policy question, just throw it on the table. I kind of feel like this kind of modern death of doctrine of equivalence, we're making equivalence determinations under this guise that we're following this methodology to a T when really we're not. We're making substantive determinations all along. So that's why I think it would be nice to move a little bit away from this idea that we're getting the correct claim construction. This is what the claim means. And kind of take, you know, the robe off and say there are some substantive determinations. I would like to see more of a role for doctrine of equivalence so courts would have to make this determination. This is a variation. Should they be able to capture or not? We could have these discussions about whether they need that scope to provide an incentive.

>>MALE SPEAKER

What about notice for parity?

>>MALE SPEAKER

This is the difference. One consensus I think we have here is if I have a claim and we all engage in claim interpretation, at that stage we get notice is unlikely. We would all potentially go with different interpretations. Notice would take a back seat, but it would expose the substantive determination that's being made. And, again, it's this question of what's your goal? Are you kind of so notice-oriented that you'll give biologics smaller

protection because I want really good notice? Or am I going to be standard-driven, I want to give you the best doctrine you can get. I don't think we should get rid of claims, but it would be nice to have that discussion more out in the open as opposed to under the guise of there I be limited to the specification embodiment or not, which is really a discussion of how broad a claim should we give them, you know.

>>FEMALE SPEAKER

Does it affect your answer if doctrine of equivalence is going to a jury?

>>MALE SPEAKER

Claim determination should be a fact issue. Claim construction is a matter for the court, but it's a fact determination. Then maybe doctrine of equivalence would be a judge determination, right, that would be reviewable. So just as much as you would say, well, I'm willing to let a judge construe a claim and give them deference, maybe the better middle of the road would be the two of them. I don't know. I'm not saying that we should completely kind of reverse trend. I just bet that if you look at all these cases, there's in some ways a DOT type of analysis going on under the guise of read in light of the specifications or read in from the specifications.

>>MALE SPEAKER

Bob.

>>ROBERT CLARKE

The question of doctrine of equivalence is an interesting one because you could make the argument that if a jury decides it or if it's clearly outside the literal scope of the claim, is it just a free-flowing hunting license on the part of a patent owner. And we know when it looked like there was an expansive doctrine of equivalence, there were lots and lots of infringement claims that were basically just DOE claims. The way I've always looked at

this is for the limitations of just using language to describe inventions, you need something more than literal infringement for those relatively rare situations where it's clear it's just manifestly unfair as a matter of equity to deny infringement. And we've never, you know, got the jurisprudence to work out right so that you had that manifest unfairness requirement where the court would simply say there just wasn't plain a word or collection of words that would work but I'm going to find infringement nonetheless. I don't think that detracts from the notice requirement. But as much as I think there's a tragedy in the DOE today, but there was an equal tragedy when the DOE appeared like a hunting license for patent owners.

>>MALE SPEAKER

Arti?

>>FEMALE SPEAKER

I think we should be honest about what we're doing and let's assume the judge would do this because I think the scary part is having the jury do this, but let's assume the judge is doing this. I think that's a fair point. It's fair because I suspect that sometimes judges are just at the end of the day doing that. But as we all know, it's good to have rules to constrain decision-makers even when the decision-makers don't always abide by the rules because if you just let them believe that they could always have discretion, then discretion would run amuck. So this is kind of an institutional -- how you set up an institution properly point. I think that people will always disobey rules, but it's good to have the rules there less they disobey them too much.

>>MALE SPEAKER

Okay. Let's -- let's now say that we've come to -- we've issued the patent, we've dealt with what we could resolve claims, but you're in court and there's still some ambiguity.

To what extent -- I guess I'll just ask. Should courts in that type of setting resolve the ambiguities by giving claims the narrowest reasonable reading. We've heard this earlier. Is that the way to go? And is that the current practice? Sometimes you see this in court opinions. Is that really what's done? Stephen.

>>STEPHEN KUNIN

Well, actually, it seems from my reading of the case law that the more recent trend is to hold the claim invalid for failing perhaps 112 second paragraph or some other requirement. I mean, one of the famous cases was that Chef America case with respect to are you going to cook the contents in the oven to that temperature or is the air in the oven? And instead of interpreting it in a narrow way to save validity, the court said to hell with this, we're just going to say it's invalid. It's the applicants' responsibility to draft good claims. So I'm not certain that that doctrine when you read the Phillips case was endorsed as a fundamental principle; namely, that, you know, if last resort interpret the claim narrowly to save it from invalidity.

>>MALE SPEAKER

Anyone else about narrow interpretations?

>>MALE SPEAKER

Just in practice you see many cases where courts are leaning towards narrow interpretations for finding noninfringement. And to actually have a finding of infringement is a pretty serious remedy for a court to issue and they tend to be looking for some real substance to support that. And that is going back to what we talked about before with the specification, the intrinsic evidence and that kind of thing, to be comfortable to find infringement.

>>MALE SPEAKER

Yes. Bob.

>>ROBERT CLARKE

I guess I have a couple of concerns. One is we already have a doctrine of broadest reasonable construction for examination, whatever that means. And then we construe claims as a matter of law, which means they're supposed to have an appropriate -- a single, appropriate construction. So this is kind of a third doctrine of claim construction. Maybe it's a doctrine too far. There's also I think a profound difference between saying, okay, the patent owner had a chance to define and limit the claim on obvious subject matter. But the way the claim is drafted as a matter of law is broad enough so it's not valid. You're not allowed to have both patentable and nonpatentable subject matter in the same claim. You keep it around for the patent owner to be able to bring a lawsuit against another party on slightly different facts another day. So probably the better public policy argument for ground one and ground two is not to create yet the other doctrine. And if the claim construed as a matter of law, whatever that means today, includes -- is broad enough to include subject matter that's not patentable, then the claim's not patentable and that's the reason the case is over.

>>FEMALE SPEAKER

Bob, when you say that, are you thinking not patentable under 103 or not patentable under 112?

>>ROBERT CLARKE

It could be either. Let me give you an example, and it goes back to a case decided a long time ago. Amgen V Chewguy (phonetic), where Genetics Institute had a patent on a purified substance defined by bioactivity where the claim included the word "about."

So that, I mean, how many patent claims have the word "about" in them. What? About

a third? I mean, in certain areas it's a lot. And the court said this simply could have two meanings. We could probably give it a narrow meaning, but in this case it has to distinguish over the prior art. It's not clear that it does. And therefore gone on indefiniteness grounds. That's probably better than giving a claim a very narrow reading and preserving its validity depending on how narrow you actually construed it because there wasn't a clear intent, at least according to the court.

>>FEMALE SPEAKER

What about enablement? To what extent do we let that body of law drive claim interpretation in order to preserve validity? Whether we give a claim term a broad interpretation or a narrow interpretation, where it's a broad interpretation you're going to have an invalidity problem under written description requirements.

>>MALE SPEAKER

Again, I'd have to say the better way to do this for the long-term health of the patent system is to invalidate those claims. You'll create a body of law on invalidity that will feedback into patent examination. That body of law is tools for examiners to help fine tune claims in the future. But if you don't do that, you're going to -- I mean, if I've -- let's say I'm a patent owner who's been vague and greedy, the folks that you deal with, who want -- according to what you've testified to earlier, the people who have these aggressive patent claiming practices. If you don't have some strong disincentive, what will happen in litigation is they will actually go back to their own specification and start reading in limitations that really aren't in the claims that narrow their scope that then define patentability. And the defense against that is to say, sorry, you can't read -- I can't read limitations into your claims as an accused infringer to avoid infringement and you can't do the same thing now that you've been caught red handed with a claim that is

not enabled or doesn't meet the written description requirement in an attempt to salvage it.

>>MALE SPEAKER

Arti?

>>ARTI RAI

Maybe I'm going to phrase what Bob is saying in a slightly different way. Basically if you let the court save the patentee ex post, you're encouraging them ex ante to act really badly. So I think that's what you're saying, that you're basically saying we're going to save you at the back end, so at the front end do whatever you want and create this horrible patent that you then can threaten people with and we'll save you at the end by rendering it valid by construing it narrowly.

>>MALE SPEAKER

The discussion has been in terms of whether the broad -- has been on the basis of the thought that the broad construction would lead to invalidity. Is that what you're likely going to be facing in reality, or are there going to be a significant number of cases where you could have either a narrow or a broad interpretation, both of which would be narrow, one of which would lead to more infringement and might surprise third parties? In that instance, perhaps the narrower interpretation serves the notice function, but you're not dealing with a validity/invalidity choice. Or does that just not arise? Are you always likely to run into prior art when you go to these broader interpretations. Stephen.

>>STEPHEN KUNIN

I'll try to answer the question perhaps with a little different framework than you put it in. I interpret perhaps what you're saying is -- and this goes back to an earlier question you raised and that is let's assume for argument's sake that you have a claim that meets 112

first and second paragraph requirements and you've got two embodiments. And the accused infringer is basically practicing one embodiment, but not practicing the other embodiment. And of course the accused infringer may be making an argument that properly construed the claim really only reads on one embodiment, not on both embodiments. And if it only reads on the one I don't infringe, then I'm a noninfringer. Therefore in terms of broad interpretation, it might be -- it reads on both species. A narrower interpretation only reads on one species. So within that particular context, my answer would be, well, if it meets 112 first paragraph, 112 second paragraph and it is reasonable to construe it as reading on both embodiments and that's just a spurious defense.

>>MALE SPEAKER

So the burden wouldn't be on the patentee to have made it clear that it read on both. If it was claiming both.

>>STEPHEN KUNIN

I would review it in a different light and this would go back to another aspect of intrinsic evidence and that is assuming for argument's sake that given the fact pattern that I just gave, had an additional nuance that during the prosecution history somehow the applicant in making arguments made arguments which were reasonably construed that the claim could only read on one embodiment, but not on both embodiments and then was changing his tune in court, there I think you'd have perhaps a disclaimer of claim scope through prosecution history and in that circumstance you hold it against the patent owner. But, again, it seems that you end up having to build up, you know, a record in order to reach that conclusion.

>>MALE SPEAKER

Any other thoughts? Okay. Let's turn to examination and the source of this prosecution history that Stephen's relying on. Perhaps the place to begin would be asking would notice be improved if applicants were required to do more? Let's lay out one possibility. What if they were required to provide claim charts? Would that be beneficial? Or would there be too many downsides to that? And would you get anything useful out of that? A whole set of questions. Terry.

>>TERESA STANEK REA

I wasn't sure what you meant by claim charts. Was that taking each recitation within the claim and --

>>MALE SPEAKER

And some wording to give an explanation of what is meant by it.

>>TERESA STANEK REA

So you're almost being forced to come up with a definition on your own during prosecution. And so you would be forced to draft an application that would meet those requirements at the outset. You know, words -- I come back to how imprecise words are. And I think something like that could be done, but it would be -- would it be useful when you face end game, when you actually have a product and you want to assert it against somebody else? Once again, I'm not sure if that would actually solve your problem.

>>MALE SPEAKER

Saying you need a context to get a meaningful result? Try to elaborate why it wouldn't work.

>>TERESA STANEK REA

You're assuming that maybe there's not support in the application as originally filed for

all of the recitations in the claims and that maybe if you neglected to define or describe an element, that would be apparent if you were forced to do a claim chart. Is that sort of what you were thinking? But just coming up with your own definition, even a definition, it's not going to take away much of the vagaries that will occur with litigation in my opinion.

>>MALE SPEAKER

Again, you're placing the focus again on the specification, on tracing back to support in there. I'm trying to suggest or ask about what if the focus is on third parties and whether you would be giving -- whether useful additional information would be provided as to the intended scope of that claim through a device of this nature.

>>TERESA STANEK REA

Just not relying on a dictionary necessarily or dictionaries?

>>MALE SPEAKER

No. This would be the applicant's expression of what the claim means.

>>TERESA STANEK REA

I don't think much additional notice would be provided to third parties via such a claim chart.

>>MALE SPEAKER

David.

>>DAVID KAPPOS

Yeah. I tend to think that claim charts, if I understand what you mean, probably would not be very helpful. And add much to the notice function. I do, on the other hand, think that there are several things that applicants can be doing and they're really along the lines of providing more correspondence or a glossary, in effect, so that it's easy for the

examiner to be able to find for each claim term where it was used or defined in the specification and not have to hunt around for it. Later on the public learns that the term wasn't used or defined anywhere in the specifications. So I think that kind of sort of factual I call it a glossary of terms is something that would be very helpful. I also think that it would be great to see applicants and even the patent office use some of the tools that are already available that could help in this regard, right? You know, technology-based tools that can be applied to electronically filed applications already exist that can identify terms that are used in claims and aren't found anywhere in the specification. So that's a tool that applicants should be using so they can fix those problems before they lay them on the doorstep of the patent office. To the extent applicants aren't using them, patent office can use them to help examiners say use this term in your claim, I can't find it anywhere in your specification, what's going on here. So I would see a role for glossaries and tools that can do a better job of establishing notice.

>>MALE SPEAKER

Stephen.

>>STEPHEN KUNIN

I'll go back to a point made earlier and that is I don't see the claim charts would be particularly helpful, particularly for the patent examiners. That when issues are joined during prosecution in terms of what I would call the significant interpretations of claim limitations for any given condition of patentability that is an issue that the examiner is dealing with, that as to that particular matter, during the prosecution there is going to be an indication from the applicant as to what the applicant means, particularly in relationship to if the examiner has a different interpretation and the examiner's different interpretation is a basis for rejection. So to me, the aspect of focusing on the critical

issues during prosecution and developing that record, at least from a perspective of my experience within the PTO, is more valuable to the examiner than having claim charts would be.

>>MALE SPEAKER

Could the examiner do more to elicit responses from the applicant that would create a stronger prosecution history as to what's meant?

>>STEPHEN KUNIN

Absolutely. I think that's supposed to be what the prosecution history is. The gist of it is the examiner is supposed to provide the reasons why he or she believes he or she is correct, both as to fact and legal authority in support of position taken and the PTO has specifically a rule, 1.111B that puts the burden on the practitioner to specifically point out the reasons why the examiner was wrong and the reason why the applicant is right.

>>MALE SPEAKER

Rob.

>>ROBERT CLARKE

I just wanted to add in that in terms of adding tools for the examiners to use, we have kind of an ambitious but revenue-dependent project to go into more of a rich text file wrapper as opposed to an image file wrapper. The rich text file wrapper would allow for many tools to look at claims, particularly added claims and go back into your specification and find where the support is, kind of in a -- using the automated tools as opposed to examiner time. And where that shows a problem, that gets into your disputed litigation. It makes it easier for an examiner to find one that isn't supported and challenge as to where the support is. It's a funding issue on whether and when we are going to go forward with more of the rich text format of a file wrapper.

>>MALE SPEAKER

Chris.

>>CHRISTOPHER COTROPIA

Two points off some of the comments that have already been made. I think, you know, maybe it's just that examiners need to know part of -- and they might know this or not know, part of the use of what they're doing is going to be used in claim interpretation going forward so that when they make rejections, they don't just simply say all the elements. They might make that next step, the processor is found on page X, so that lays this foundation of definitional type of linkage between there would be the claim term and the prior art, which then would force some reaction back by the applicant to say, well, no, that doesn't properly dispose a process or et cetera. That would be used better in prosecution history. The second thing, and this kind of goes to Rob's point, and back to this discussion about should we invalidate the claims or simply construe them narrowly? I think there is some feedback function, even if it's about interpretation. If I know if I add claims that have terms in them that are not in the original specifications and I know there's an automated tool that's going to kick back a rejection saying there's no 112 support for that claim, what's the reaction going to be? I'm going to make sure I draft applications or use terms, because I don't want that friction in my prosecution history. And this is where I kind of push back a little bit with I think if you interpret in light of validity, most people who are not maybe the bad people are going to say I want claims that have broader scope than narrower scope. And if it turns out I start getting hit in litigations where my scope is being narrowed because I don't have support, when I draft my next application, I want a successful litigation. I mean, I'd much rather capture the product than not capture it. So there is some kind of information-producing effect

with this type of stuff and so if I know examiners are going to do things that are going to influence my interpretation later down the road, presumably most rational applicants are going to react accordingly because they're the people in the bio meeting, broader claims. So I think there will be a nice cyclical effect here if examiners kind of knew what was being created and now it was going to be used.

>>MALE SPEAKER

Bob.

>>ROBERT CLARKE

I thought maybe for the benefit of the youngsters on the panel I would provide some early history of the patent system. When I started work, examiners did have actually rich text tools because patent applications were shorter and prior art searches -- there was a lot less prior art in those days, so the tool they used was reading the patent specification and knowing exactly what was in it. And as a result, the use of claim charts, at least by me, was ubiquitous, in this sense. I never wrote -- I've wrote hundreds of patent applications and I never once wrote a patent application without taking exactly the claim that I was going to try to get and I started by writing the claim, not the specification, and I put the claim in the patent application right under the summary of the invention and then I methodically went through all the terms in the claim and explained in the patent application what they meant, knowing that the examiner would actually be using his rich text tool to understand what it was the invention was. So I am concerned that we artificially create this other extrinsic document to the specification. I think that's a make work project. But I do think we need perhaps to go forward, to go a little bit backward in terms of how patent applications are drafted and how much fidelity you have to a written description and/or enablement requirement. And when you amend your claims, I don't

ever remember in any of the amendments I ever did to a patent application where I didn't go back in the specification, find the part of the application that supported the amendment and put that in my amendment to the claims, largely because if I didn't do it, I was going to get a rejection from Rob's folks.

>>MALE SPEAKER

Just to pull together a number of the suggestions we've heard and to get any additional reactions from any of you, we talked about claim amendments. What if applicants were required to provide written statements with the purpose of claim amendments? That's one possibility. Another might be reasons for allowance which we've heard talked about. What if examiners were required to supply reasons for allowance that are directed toward revealing what they understand the claims to mean? Would that be useful? We've heard about the idea of the PTO selecting default dictionaries or setting glossaries. We've heard about the idea of applicants being required to define terms. Just opening it up to everybody before we move on from this set of questions, anything anyone would want to add as to what are likely to be useful ideas. Mike.

>>MICHAEL MESSINGER

Yes. Just to address those, the way it works in many situations at the patent office and partly why I have some of the concerns with some of these suggestions is you have a pending claim or let's say a term, and whether or not you add a definition in your actual specification actually makes a big difference. If you add a terminology section with a specific term just using existing practice, when the examiner starts applying art against you, you can point to that explicit definition and thereby have the patent -- have the claim as written with just the term in it issue without actually taking that definition and putting it into the claim itself. Now, what often happens in many cases is for whatever reason the

applicant has not provided an explicit definition. And in that case the examiners call you on that, especially if it's a disputed limitation, as Bob is pointing us to, and if it is a disputed limitation, the response to the applicant often is then you're forced to actually put language in the claim itself and for notice purposes it's that literal language which is kind of the highest form of notice. So I would imagine we'd want to be encouraging that literal language in the claims themselves to be strong and my concern with the claim charts, it's a lot of work and cumulative to what they already have, but it may actually defeat the incentives we have now to put those limitations in the claims. I was mentally thinking how I would write one of those charts. If I have a claim accept, receiving a message, I'm going to say that element means receiving a message including but not limited to. So to get back to Bob's point about words about words, now when you go into a hearing you're going to have words and my words about the words and then I don't know. It just doesn't seem -- it's cumulative. You're not adding a lot. Purpose of amendments, there's a part of it that seems very difficult because courts have recognized that it's very hard to do claim construction without an accused product. And at some point the more we're asking applicants to do in the absence of accused product, it's going to make it a little more like a lottery on whether or not what the applicant did at the time they're filing just happened to be consistent with whatever the accused infringer is doing five years later.

>>MALE SPEAKER

Arti.

>>ARTI RAI

So this isn't what I was originally going to say. It worries me when people say it's hard to do claim construction without an accused product because that does undermine the

certainty rationale that we're trying to advance in this context because there are all sorts of reasons why, you know, you don't want to have to wait until the accused product comes along before you want to have a pretty dispositive claim construction. That relates to the point I was originally going to make which is there's a question in the -- in paragraph six under Section 3 on will these questions -- like, for example, if the examiner made a statement regarding what a claim term meant and that was part of the prosecution history, would that be regarded as part of prosecution history and intrinsic evidence or would there be a deference piece to it? I think as a strictly legal matter, I would predict the federal circuit would only look at it in terms of prosecution history because currently it views claim construction as entirely a matter of law to be determined de novo. Now, that may change, but I think that's currently the way they view things.

>>MALE SPEAKER

David?

>>DAVID KAPPOS

Thanks, Bill. I would identify a number of the sort of exchange of written comments that you've mentioned and for the most part I think that the examining practice already handles them pretty well. The rules are already in place. So, for instance, the requirement for the applicant to provide written statements about where support is found in specifications for claim amendment. The patent office rules already do require that and I think those are in good form. My observation is they actually are pretty well enforced. Usually there's clarity around that kind of action on the part of the applicant. Relative to examiners supplying reasons for allowance, I'm a big believer in good reasons for allowance and the value that they can provide. And, again, the clarity that they put in the record because if the applicant disagrees with the reasons for allowance,

perfectly fine. The applicant can put in the record why he or she disagrees. You've got a nice record in the patent file history then that people can later understand. The trick with reasons for allowance is really getting them to be precise and to identify what it was that caused the applicant or the examiner to decide to allow the claim and what about the claim was found by the examiner to not lend patentable weight to it or to be unimportant? So the more decisions that can be put in those reasons, the more value you're going to get and the more exchange you're going to have on the record which you'll inure to the benefit of the public.

>>MALE SPEAKER

Bob.

>>ROBERT CLARKE

Just probably a little disagreement with Arti and the idea that the courts should really have an accused product in front of the court before doing really a determination of law as to what a claim means. Courts are there to decide cases or controversies and you can't do that in an infringement suit without having an accused device in front of you to know which claim limitations are relevant to that dispute and which aren't. And in most cases you also need to know what the prior art is. And so imagine a judge looking at a claim term like warped. And one party says it means contorted and the other party says it means really bent out of shape and the judge is reading the patent specification and she can't figure out whether it means one or the other. But if she actually knew what the prior art was, why the examiner used the word contorted, you would have a much better idea of the context in which to decide it. And then if it turned out that whatever it meant it didn't make any difference to this particular accused device, the case should be over there. I mean, there should be no -- the case not dispositive over, but the issue doesn't

arise in that case. It shouldn't even be decided. So I think the more context you have and the more you assure that you're just construing those things that are necessary to understand, the better claim construction will work.

>>MALE SPEAKER

When Bob accepted the invitation to join us, he let us know that he had had a prior commitment. He's going to have to leave a little bit early. I want to turn into one more area while you're still here of particular importance and that's the issue of timing and how that relates to notice. And we'll pick up other issues after you've left us. As to timing, I'm thinking here in particular about a set of issues that would involve continuations, reissuance, provisional applications, deferred examinations, all of this. But starting just with continuations, let me throw something out and see if everybody agrees. Do all the panelists agree that there is some tension between continuation practice and public notice? I see everybody shaking their heads yes.

>>MALE SPEAKER

My head was entirely motionless.

>>MALE SPEAKER

One motionless head.

>>FEMALE SPEAKER

No tension whatsoever.

>>MALE SPEAKER

But no heads going back and forth with a no. If so, is the tension serious? Anybody want to jump in there? Stephen?

>>STEPHEN KUNIN

Well, I think it's serious enough that a lot of people are writing about it, and I think where

we see some of the issues being joined has to do with particularly the issue of what I would call the broadening continuation, filed substantially years after originally application was filed, and of course you have the tension on one side with respect to but if the claims have 112 first paragraph support, then, you know, what's the harm of writing claims that might read on what's in the marketplace that you hadn't thought about maybe earlier on? And on the flip side, we're seeing a number of people who believe that perhaps in some time-limited circumstance, perhaps a form of intervening rights should be applicable for the so-called right claiming. And then there's everything in between. When you have a situation where perhaps the applicant was seeking those claims all along and was going through myriad appeals in order to successfully convince the PTO, the board of patent appeals and interferences and maybe the federal circuit of the correctness of your opinion and therefore it took a long time to be -- so in that circumstance, I think there's a lot of fact-specific considerations, but certainly I think under the broad issue of the -- I would say the broadening continuation late filed has certainly been a subject of discussion. It came up not too long ago at the PTO's roundtable on deferred examination that some of us participated in.

>>MALE SPEAKER

Let's go down the table this way. We'll get to Bob before he has to leave at 4:30. Terry.

>>ARTI RAI

Very quickly. I wanted to say that some continuations are filed because one was unable to arrive at allowable subject matter with the examiner in a particular case. And so a lot of continuations are not necessarily voluntary. Now, that does work, you know, adversely to the notice function because you're delaying identifying what you think you have a right to or right to preclude others from practicing. But in the area of

biotechnology in particular, it takes a number of continuing applications typically to arrive at allowable subject matter with the examiner. And so to get your first application allowed may necessitate three applications. We're dealing with difficult economic times right now. Everybody has rather extreme budget constraints. And so at least that's one art area or technology where there does seem to be a delay in the notice function because it's a delay in getting an amendment as to potentially allowable subject matter in the PTO. So continuations can be filed voluntarily by the applicant. You can get allowable subject matter and then voluntarily file a continuation and that's one scenario. But in some areas of technology, biotech in particular, you need to do it just to get something that you think you have a right to allowed and hopefully you are successful.

>>MALE SPEAKER

David?

>>DAVID KAPPOS

Yes. So I would add what I think is kind of an intersection between continuation practice and publication, 18-month publication, which is of course not required. Most applications are published anyway, but not all of them. And one -- where the problem of the notice function gets to be acute is with those applications that are elected out of publication and then potentially have lots of continuation practice and it brings up the old issue that we used to call submarine patenting. So, you know, putting another sort of a radical idea on the table here, perhaps some consideration should be given to prohibiting the filing of continuations or at least some excessive number of continuations, at least for those applicants who elect not to publish. That's the case where you have to put the patent application most in conflict with the notice requirement.

>>MALE SPEAKER

Bob.

>>ROBERT CLARKE

We know particularly in the era since the doctrine of equivalence fell into disuse that patent owners file applications to use different words to define their inventions, sometimes a little broader, et cetera, and the rationale being they're going to be stuck with whatever the literal language of the claims mean in all likelihood and therefore they want as much different ways of expressing the language as possible. So if we assume that magically, magically somehow you had the perfect doctrine of equivalence that was used when it was needed and erased the tyranny of language in that sense, then it's clear that the ideal patent system would in a very rapid fashion resolve the scope of the protectable subject matter. And it would do so -- it would do so in a way that, for example, instead of when the examiner and you disagree about whether something is patentable, you have access to a timely appeal at the patent office board of appeals and interferences. If I go back to the way the world was when I started, you know, there was a rare situation when I would file a continuing application. There was the common situation where if the examiner and I didn't agree, I just took the case up on appeal and that was the end of it. And so, you know, I think this is a very, very hard issue for the patent profession. We've become really addicted to a continuation practice, to some degree throughout the 20-year term on some occasions I've called it the opiate of the patent profession, because you just can't resist one more continuation, one more chance for a few more claims. If we're really honest and resolve the DOE issue, it's terrible for a property rights system. It's just terrible for a property rights system.

>>MALE SPEAKER

What is the case for allowing applicants to claims through continuations? Market

developments that evolve years after an initial application. Anybody want to state it? Anybody have that point of view, that there is a need for that? Some of that, at least. Stephen.

>>STEPHEN KUNIN

Well, I'm not necessarily going to defend that, but there's longstanding case law that says there's nothing wrong with that so long as there's 112 support for the claims. So in view of the fact that this is not an issue that the courts haven't dealt with in the past and we've got case law -- maybe Bob can correct me if I'm wrong. My recollection was the Standard Havens case was a case that in the opinion addressed this issue and basically said there wasn't anything fundamentally wrong with late claiming so long as it had 112 first paragraph support, even if it was reading on what was happening in the marketplace, that the applicant was not aware of, without obviously letting the continuation practice exist and see what the market did.

>>MALE SPEAKER

Michael.

>>MICHAEL MESSINGER

I just want to bring us back to the world of practicing entities in terms of what often happens is you're the first to invent and you're developing your product and you're rolling your product out and you're laying out your patent portfolio to sort of track that. And so in a way you've created the marketplace and you're following the marketplace. So I think the public policy analysis is different when you're sort of following the practicing entity as you legitimately hit the market the first time with your invention. What I see in that situation a lot, and Bob touched on it, is you file your first case with what you think you're entitled to. Then there's a negotiation. At some point there's often a deal cut and

it makes a big difference to those early days of commercializing your product to have the issued patent versus the application. So there's a lot of strong incentives to not go up to appeal on that first asset. I would argue in other ways that's very good for the notice function in that you do have one clear asset out. People have mentioned what do you do with a continuation? And often you file a continuation. And my experience, for the practicing entity, often they tend to very much go back, not necessarily broader than the original filing, but just further refinements. And in that sense I think the public notice function is pretty clear. You still want past patents settled right and all of that. But we many times have been in situations we're monitoring this for competitors and you're watching what's going on at the patent office. Patent office has good tools, rich text or image, and you can sort of follow the continuation. Sometimes it's still within the same scope of what they were originally asking for and you've got that, you've been following it, and you're hoping the patent office is going to maintain its rejection, but you're able to watch all that. The difficulty is when all of a sudden it's either not published or for some surprise turn of events they go in a very different direction that's very broad compared to the original filing and that is -- but there are some sort of issues. They're only entitled to claims once it issues the patent term and maybe there's some intervening rights issues for very late claiming.

>>MALE SPEAKER

Bob. I want to get you in as much as possible before you have to go.

>>ROBERT CLARKE

Yeah. You know, I developed stronger feelings on this issue having one client in private practice that was a small company in New England and they were infringing a patent and they engineered around the patent. They were in litigation. Engineered around the

patent. And the damage phase of the trial was still going on. Then the patent owner issued a second patent and sued them for infringement a second time. So they reengineered the product the second time to avoid the second patent and that case was still going on even though it was validity and probably if the patent's valid there's going to be infringement. Then the third patent issued and they were sued for infringement on the second modified embodiment on the third patent at which point they just gave up and got out of the market altogether and settled the case. And you're right. You're right. As a matter of law, there's nothing wrong with doing that under the patent statutes. You're perfectly entitled to do it and follow the market and claim your invention in as many ways as your original disclosure can support. But I don't think that that's good for the patent system. And I don't think frankly there are too many people who think it's good for the patent system if they're honestly looking at patents and trying to respect them and trying to understand what is going to be claimed and what's not going to be claimed. In this particular case, I doubt that after the first patent the other two were really ever going to be upheld on validity grounds, but there was never going to be an issue. At some point we will have created a patent system that is so expensive to operate, continuations being one reason, that as for a determined infringer they never have to worry about a patent owner of limited resources and for a determined patent owner, they never need to worry about what allegations of infringement they make against a resource-limited infringer.

>>FEMALE SPEAKER

We heard yesterday some panelists talking about they actually would look at a published specification and try to predict the claims that would come out of it and design around those to try to avoid what your client went through. Did your client true that? Is that a

possible thing?

>>ROBERT CLARKE

The difficulty is the one I alluded to. If you look at what might be validly patented, that was going to turn out to be irrelevant because you were never going to be able to afford to be in a relatively modest business with someone who was going to continue issuing patents and bringing new allegations of infringement. There wasn't a rule of law issue where you could go back. The patent office issued the patent. They deliberately wrote the language to read on the device, so your defense would be the patent doesn't know how to apply 112 or some similar defense.

>>MALE SPEAKER

Let me throw that more broadly. Does the 112 requirement, or how do you feel about whether the 112 requirement, does it adequately protect against broadening of claims over time in ways that third parties are unlikely to foresee? Arti, yours is up.

>>ARTI RAI

It is up. Could I make another comment because I think it's relevant to our discussion. I've been looking at data on continuations and requests over the past post-'99. We thus far have been talking about continuations, but the practice area where things have really taken off post-'99 is RCEs. RCEs, except for perhaps the argument that Teresa is taking that you have to go through three rounds of discussion with the examiner before you figure out what you really got, I don't see a good justification and maybe in biotech there's a justification, but what's really interesting is that in the data I've seen at least, the largest use of RCEs is in the IT industry. Largest percentage of RCEs so. It does strike me to the notice function is being undermined by RCEs in particular. And that's something that I think is ignored in the discussion on continuations, or less emphasized,

because there are more legitimate uses of continuations, I think generally speaking of RCEs. Does 112 -- I think this is where written description after having sort of denounced written description earlier, if you were continually amending your claims to find new embodiments in the market and get them, written description was supposed to help the alleged infringer in that case. I don't know if it's been used vigorously enough because now it's been conflated with the other situation of an originally-filed claim, where written description is now being used as well. And I think that conflation has made it a less tough requirement in the later-filed claim context and probably too tough in the originally filed claim context.

>>FEMALE SPEAKER

Inherent in Bill's question is the question is the patent office doing a good job with 112, regardless of what the courts are doing. Terry?

>>TERESA STANEK REA

I think that it's frankly a little bit inconsistent. It depends art unit to art unit and frankly it depends examiner to examiner. And if you get a good examiner, somebody who gives you a good examination, who applies not only the correct art in the correct manner, but actually challenges you on 112 issues when appropriate. So the patent office is constrained by time. Examiners only have so much time to work on each application and that's the reality. And so you -- it's not consistent right now. So sometimes yes, sometimes no.

>>MALE SPEAKER

That could be part of the question. Certainly another part that floats in there is the basic question as to whether a doctrine that you find in terms of showing whether the applicant was in possession of the invention is an adequate doctrine for giving third parties notice

of what could emerge when you're all done with the process. Do they line up well enough that third parties are protected? Stephen, you're up.

>>STEPHEN KUNIN

Well, my short answer is no. Before I elaborate on that, I just want to make a couple points in response to what Arti said and what Terry said. I think there is really unevenness with respect to application of 112 first paragraph by technology. Certainly from my own experience, some years ago there was a significant problem that was brought to my attention when I was the deputy commissioner having to deal with the famous form factor patents. And for those of you unfamiliar with form factor patents, it's basically disc drives in computers where generation to generation you basically have the size of the disc, you take it out, you rotate it, cut it in half and that's what the next generation is and therefore the form factor was extremely important. Know what the issue was? It was 112 first paragraph scope of enablement because the issue was what the floor was relative to claim because basically the whole aspect was the physics of being able to miniaturize. The problem is the claims were issuing, but they didn't have the appropriate scope of enablement because they weren't enabled below certain sizes. And that was the whole aspect of where the technology was. And it was a significant issue. Why? Well, because examiners in the electrical areas really didn't have good training and guidance with respect to scope of enablement. It was considered to be chemical patent practice and therefore until examiners' eyes were, you know, awakened to the fact that, gee, you could have this kind of problem in the electrical arts as well, you know, it was moving on to a new page. The thing that Arti says with respect to the RCEs, particularly in the electrical areas, I submit to you that part of the problems is the PTO, over I'll pick a time, the last half a dozen years to ten years or so, with the large

number of filings and the backlogs and the rapid hiring of patent examiners by large and large numbers reached a point where you have examiners who basically were not able to come up to speed fast enough and the RCEs is because examiners were not doing good searches and that it was really the examiner not really understanding, but using second action final practice to not let the applicant move forward. And so part of it is essentially the whole problem with respect to getting new examiners properly trained in areas with large backlogs. So I would submit to you that in your analysis, I would hope that you could get some insights in terms of that phenomenon of the examiners. But I guess coming back to your point, if you could repeat. I apologize.

>>MALE SPEAKER

Is a doctrine that's focused on determining whether or not the inventor was in possession of that invention as of the time of the application a doctrine that will give adequate notice to third parties? As to what can emerge years down the line?

>>STEPHEN KUNIN

Thanks for repeating. My answer as I said before was no. It's still no. To a large degree the reason why I believe it's no is not so much in terms of the chem/biotech area, but in other areas, and I submit to you that when I was involved in writing those written description guidelines that ultimately were published in 2001, much of what we did in putting together those guidelines was in fact trying to make sense of a mixed bag of case law. When you look at enablement and you got the Wands factors. You look at written description with respect to claims drawn to a genus, part of what we were doing is making it up as we went along and trying to come up with the written description equivalent of the Wands factor without having a coherent body of case law on written description from the court giving the equivalent of the Wands factors. So the reason for

my answer being no is until there is a coherent set of factors for making that determination, it is going to be difficult to have the public have adequate notice on the written description requirement.

>>MALE SPEAKER

I think I should go to Rob, since we've been talking about the PTO.

>>ROBERT CLARKE

I just wanted to point out that in September of '08 the office did issue two memorandums to the core on appropriate use of 112 second paragraph in an attempt to arrive at a greater consistency in its application across the examining core. So, you know, I -- to say that the office has been deaf to that concern I think is over -- a little overblown. But it does show some recognition by the patent office that we could do a better job in that area.

>>MALE SPEAKER

I think David and then Chris.

>>DAVID KAPPOS

So a couple comments. I don't disagree with any of the criticisms that have been leveled against the doctrine, but I think at least on a theoretical level I don't see necessary tension between the doctrine that's keyed to the applicant demonstrating that she or he was in possession of the invention and that being -- that requirement then being what we depend on to protect the public, so long as the doctrine is being policed well enough and then applicants are being required to put enough information in the record. Because if the standard really is the skilled artisan, right, the person having ordinary skill in the art, I think you wind up with enough disclosure that it winds up not being a problem for third parties to read and understand and be able to make the invention. I would add relative

to the problem, though, just finishing on that thought, is, of course, the requirement isn't being policed well enough and, as others have pointed out, there aren't good enough rules, good enough law in place for the framework in which it gets policed so the office is very disadvantaged in that respect. 112 enablement in the IT area most certainly not being tightly examined. It's rare in our portfolio, which is individually about 3 percent of what goes on in the patent office, so we've got an enormous base in one company, it's -- you know, we rarely see rejections coming up in the enablement area. And then lastly, you know, I do agree that setting aside the biotech area that's got these sort of specific concerns relative to RCEs, there's a problem with RCEs and overuse of them in the IT area. And it was the recognition of long strings of RCEs -- it's not one or two that's a problem. It's the five, six, seven, eight, nine that we were concerned about. That caused, you know, IBM to take the view, which we still hold, in support of limitations on continuation practice. Not one continuation, but some reasonable number. You know, we thought that two was possibly workable, at least in the IT area, with some reasonable ability for applicants to show that there was good cause to file more than that. And we still do believe that some limitation on practice, at least for the IT field, makes sense.

>>MALE SPEAKER

Chris?

>>CHRISTOPHER COTROPIA

Two comments. One on the direct conversation and one on an earlier conversation. I think 112 paragraph one written description is formulated, it should work. It's a difficult legal doctrine. I'm not sure necessarily waiting for more case law is the way to go because in some ways that's what's created some of this problem we have now. We have this idea that the federal circuit have told us one area is a predictable area, one is

not. So apply it in bio, don't apply it in electrical. People think there's just these two giant areas of technology when there's a lot of fidelity. The more they would look at it on a case-by-case basis, maybe 112 paragraph one would actually do a better job. So I don't know necessarily if more case law is the way to go or watch out for. One kind of comment back why we have continuations and this is where I think kind of notice overlaps with kind of substantive effect. I think this piggybacks off of Michael's earlier comment. We have an early filing system. We force you to file very early in the development of a technology. And in the end, if the goal is that I want a patent to create shelf space for my end commercialized product, well, things are going to change from the time when I file that product as I develop that product along and get out there shelf space-wise. If I'm kind of locked in early on, I might not get the shelf space room that I eventually want. Now, that doesn't necessarily mean that continuations need to stay to assure that it proceeds that substantive function. We should look at are there other things to help out these individuals that have been forced to file early in development, but in the end would like a patent to give them the space they might have when they hit the product to the market, such as deferred examination or something that allows them to do that. Because I'm sure some people are filing continuations not to try to capture other people, but to change as their development changes, as they go along. There's a new feature. I didn't know that was going to be important. So that would be where if you're looking for notice, you have a substantive effect, the patent process is not as great for me anymore and we should recognize that impact and take that into consideration.

>>MALE SPEAKER

Related continuations. I'm going to raise the topic of reissuance. And I'm wondering,

you know, if you see the same types of tensions with regard to notice that would be raised by a broadening reissuance. I'll throw out the whole package of questions at once. Are there the same types of tensions with notice? Does the requirement that reissuance be based on some type of error significantly enhance any protections to third parties in practice? And does the ability to secure reissuance lessen the need for continuations? Let's look at that all as a package for a few minutes. Then we'll go on to our last subject. Terry.

>>TERESA STANEK REA

Well, reissue practice isn't very vibrant, in my opinion, in the PTO, so while I do recommend it from time to time with my clients, they typically opt for other choices because it does require the admission that there was an error during the original prosecution and it can't remedy all sins. So you have to find something that you could allege was an error. But I don't know the exact statistics on reissue applications, but it's not a tremendous number. The second thing is you do have a body of case law on intervening rights. You only have two years in which to file that broadening reissue. And so there is already a notice function, fairness function factored into the reissue case law. All right? So you can only get an expanded reissue within two years and there is intervening rights protection. Does the requirement that reissuance be based on some type of error significantly enhance the protection for third parties? I think it's irrelevant. I don't think it makes any difference for third parties. And does the ability to secure reissue lessen the need for continuations? People don't look at it that way. They look at it as something that's not planned for or expected. It's a safety net you take advantage of. So you don't plan on reissuing an application. I've been doing this since 1980 and I've never had a client that's had that philosophy. That doesn't mean it hasn't existed. If

Bob was here, you know, he could tell me what they did in the old days.

>>MALE SPEAKER

Mike.

>>MICHAEL MESSINGER

I agree with everything Terry said, a good summary of the some of the key differences. There's another aspect that also limits it in that there's kind of a strong doctrine of recapture that very much limits your ability to kind of go back and do some maybe broadening that people would think were not in the public interest. One thing that the situation -- and I agree it's not a vibrant practice. I think the last time I looked, two years ago, it was running 500 reissues a year -- that's re-examinations. 5,000. Yeah. How many?

>>MALE SPEAKER

5,000.

>>MICHAEL MESSINGER

5,000. Where I see it getting looked at by third parties is when they're involved actually in acquiring companies and looking at patent portfolios that have already been obtained by another party. They're looking at it from the perspective of their business model and deciding what makes sense to do with them. And so anyway maybe in that context some of the intervening rights and that are more important from the public policy perspective.

>>MALE SPEAKER

Stephen.

>>STEPHEN KUNIN

Mike hit it on the head. The reissue recapture doctrine is the fundamental difference

between the continuation practice and reissue. The other thing is, which is sort of tangential to this discussion, and that is as Bob was pointing out, one way to address some of the problems with respect to the less than vibrant law of the doctrine of equivalence is actually to perhaps remove that two-year requirement on broadening reissue and use that as an opportunity for people, subject to intervening rights, to correct that which is a problem for them in too much literal claiming where perhaps instead of having to rely on a doctrine of equivalence, they would be able to broaden their claims and not have to come under doctrine of equivalence, recognizing, again, the recapture doctrine plus the intervening rights as a limiter.

>>MALE SPEAKER

When you talk about correcting something, is this -- have the courts policed that in a way that makes it any different than just seeking a broader claim? Are you claiming something --

>>STEPHEN KUNIN

This goes into many of the issues that surround not only the reissue/recapture document, but also the case law like the Johnson & Johnson case where you left described but unclaimed embodiments on the table and you're not going to be able to come back and get them again through the doctrine of equivalence. So I think that's more this aspect of potentially being able to obtain a scope of protection, again, subject to recapture doctrine and the intervening rights that perhaps can address some of the problems that we see with respect to how prosecution history, estoppel and doctrine of equivalence work.

>>MALE SPEAKER

Okay. In the 15, 18 minutes we have left, I'd like to cover just a handful of smaller

topics, but still significant. Maybe we can get some feedback on some of them.

Provisional applications would be one. Does the filing of provisional patent applications detract from the notice function? How has that turned out to work? Stephen, you're up.

>>STEPHEN KUNIN

Very shortly, no. I think that the provisional application is nothing more than an internal priority document. It puts U.S. citizens on the same basis as foreign applications. And since 18-month publication occurs from the earliest priority date, I see no problem whatsoever with respect to provisional applications being problematic.

>>MALE SPEAKER

What about deferred examination? Another topic that's coming up these days. How is that -- I mean, are all of the suggestions such that there would be a possibility that publication might be delayed? Has that been looked at? Would anything about these proposals make search more difficult? Would the time that claims are subject to evolution be extended through this? David, start with you.

>>DAVID KAPPOS

Right. Thanks, Bill. So I think the answer to all of those questions is it depends on what design point you choose for deferred examination. A design point I would recommend would actually resolve and address all of those issues, right? For instance, I think that a deferred examination system in the U.S. would be a wonderful best practice for us to adopt. But it would need to require publication at 18 months of all applications put into the deferred examination system. So if you want to use deferred examination, your application is going to publish in 18 months. If you don't want your application to publish in 18 months, don't bother using deferred examination. Secondly, as to searching, I think searching actually can be aided and helped by deferred examination. And the

reason is because tremendous amounts of prior art that are not findable, they're in foreign language, right, and in the intervening time between when an application is filed and when the deferral end is triggered by an applicant or by a third party that wants to have the application examined, that prior art will become actually search available to the patent office, whether it's because of translation or because it goes from some source like a library somewhere and gets put on an electronic system that patent examiners can find. So you actually will find you'll get better applicable prior art made available to examinations through deferred examination. And then relative to issues with, you know, third-party intervening rights and the like, I think that the best practice for deferred examination would be that indeed prior users would be protected from the patents that issue under the deferred system and that any third party should have the right to trigger examination and therefore get clarity as to the deferred application when -- at any point when that party wants to pay the fee.

>>MALE SPEAKER

Stephen?

>>STEPHEN KUNIN

Well, I'm very much against deferred examination. And I think in part, as Dave pointed out, the devil's really in the details in terms of how you design it. Right now, I would think that it would be an absolute disaster because of the de facto deferred examination system that the PTO currently has. And until PTO can master its workload and get pendency down, to add a deferred examination system in front of a de facto deferred examination system and say, oh, well, this will be great because it will give the PTO the freedom for three years to be able to work off its backlog. Of course, we won't have any money to do anything because PTO works off current fee revenues. On the applications

they'd be examining, they already spent that money. And the idea is, well, you'll have a lower filing fee and so this will encourage people to file maybe too much and file frivolous applications. You could have the situation where, gee, in the PTO really needs to have the money, it may end up bumping up those filing fees in order to have operating revenues. Then you've just removed the incentive for people to defer if they have to pay so much money. The idea with deferral also is to perhaps produce a reasonable amount of dropout rate, 10 percent or more, to reduce the burden of the PTO of not having to examine unnecessary applications. And of course while I agree that if you had the perfect design of a deferred examination system, you must have publication at 18 months, you must have a right for a third party to petition for early examination, but then, of course, now you're throwing the burden on the third party to go to the expense of having to do the equivalent of a petition to get early examination. And then what I can see also happening is that the PTO will be in this perfect storm of a budget crisis, says, well, of course the way that we need to make up the money is we're going to go to these foreign style systems of having annuities. So you have to start paying for patents you haven't gotten granted on an annuity scheme in order for the PTO to start getting some of this near term operating revenue. So if those kinds of issues can be resolved and resolved satisfactory to take out I think those concerns, you know, I'm open-minded to be convinced. But at this particular point I think there are many things that have to be addressed, both from the standpoint of the PTO's existing workload and funding situation. I just don't think right now the timing is right. And I haven't seen the perfect design of how to really make it work. So I'm a skeptic and I'll let Dave prove me wrong in the foreseeable future, but I just don't think deferred examination right now is an immediate panacea.

>>MALE SPEAKER

Arti?

>>TERESA STANEK REA

So there are two questions. One is the notice function and what effect deferred examination would have on the notice function. I think that issue can be addressed reasonably well through some of the mechanisms that Dave articulated. Now, interests the entirely separate question, which is a really important one, of the very anachronistic PTO fee structure which all had sorts of problems. But that's not your ambit right now, although I would suggest somebody should be looking at it very closely. That whole question of fee structure, I think that is actually just my editorial comments since it is late in the day. That's actually the most pressing problem for the patent system right now.

>>MALE SPEAKER

And Terry.

>>TERESA STANEK REA

Thank you. First of all, publication has to occur at 18 months. That's just an international norm and we have to stay consistent with that. So publication will stay where it is. The devil is in the details in this reexamination proposal, more so than in anything else, just because the system is already stressed. It's already in a very delicate balance right now. And if reexamination was to be introduced --

>>MALE SPEAKER

Deferred examination?

>>TERESA STANEK REA

No. Sorry. If deferred examination was to be introduced, it might be the final stress on a system. And right now the PTO is functioning. Things are moving. And, you know,

unlike the rest of the economy. So I'd like things to continue at least at a minimum at the level they're in now. What I'm most fearful about with deferred examination is the uncertainty and the delay and that possibly people will not be as aggressive jumping into the marketplace and they may delay investments. They'll say there's pending ones sitting out there, patent pending. Do I really want to go into this business knowing that I have this number of land mines, this number of pending patent applications out there? And so this delay mode seems to be delaying a lot of our society right now and I don't want the extension of nobody wanting to spend money and take action to go to the point where people are delaying filing patent applications or asking for deferred examination and then not making R & D investments because there are some of these pending applications out there.

>>MALE SPEAKER

We have just two more topics that I'd like to touch on. I think if we keep our answers short, we can get you out pretty much as scheduled. One is publication, which we've heard a lot about in the context of deferred examination. We've got the 18-month publication for most patent applications. How would you feel about the effects of notice and any downsides that might result if you were to go to a system requiring 18-month publication for all applications? Terry.

>>TERESA STANEK REA

Very quick? That's what it should be.

>>MALE SPEAKER

Stephen?

>>STEPHEN KUNIN

I agree that's what it should be. The major concern I've heard has to do with the tech

transfer aspect of where these applications are being published and it permits third parties to see what's happening and perhaps jump on using that technology in foreign countries. It's a form of maybe an unintended consequence, but I'm still a firm believer in 18-month publication. But the one thing that I think we need to think about is the PCT model, and that is 18-month publication with a search report and written opinion. That to me is the best model from the standpoint of helping to facilitate notice function.

>>MALE SPEAKER

And Chris.

>>CHRISTOPHER COTROPIA

I agree with the earlier comments. Even broader, to your second question, I think it would also be nice if we really are going to go to a real text format, just to make it easier and quicker to grab information from the PTO's website, et cetera. I know -- obviously, I'm not the primary person, somebody who's doing empirical research, it would be great if the information were more readily available, more easily searchable, et cetera. I think that would help the notice function as well.

>>MALE SPEAKER

That goes to our last topic, which is a kind of search function. One aspect of which is PAIR I was going to ask about here. Just from a practical perspective, is it working well for purposes of following an individual application as opposed to perhaps doing research? Is it working well to find out what's happening? Are there any practical limitations on that? David.

>>DAVID KAPPOS

Yeah. My view is that PAIR actually does work well for following a single application.

You can get access to the file electronically quickly. It is wonderful for that limited

purpose.

>>MALE SPEAKER

Mike?

>>MICHAEL MESSINGER

When it's up, it works great. It is frequently up. It ties in with the 18-month publication in that I think many people agree with 18-month publication, but related to that is the fact that for patent term adjustment purposes, the patent office is expected to get first office actions in 14 months and to the extent there's a requirement for a 18-month application, we can get the patent office bogged down and issued patents are coming out in two to three years, then you kind of get the transparency with PAIR because you can only see it on PAIR once it gets published with the issued rights. A lot of people like that railroad, if we could just get it to go on time.

>>MALE SPEAKER

And Stephen.

>>STEPHEN KUNIN

I'll just go back to what Rob Clarke said. It used to be called PFW. But I think that that is essential because having a full text, searchable file history will provide a much better notice function. Right now working strictly with images, it's in some respects working with one hand tied behind your back. So the sooner the PTO can afford to deploy that, I think we'll find the notice function will go up dramatically.

>>MALE SPEAKER

Okay. Final topic. Search, a big topic in its own right, but I'm going to ask just if in short answer form any of you have suggestions or pet ideas as to steps that the PTO might be able to take to facilitate identification of patent and patent applications that would be

relevant to business planning by third parties. David.

>>DAVID KAPPOS

Well, so you've asked the peer to patent question, in my view, the single-most straightforward thing that the PTO can and needs to do is take advantage of the millions and millions of trained technical professionals, nearly 200,000 of them in my own company, who are more than happy to bring prior art and meaningful, helpful commentary to the attention of the office versus applications that are ending. In the peer to patent pilot that the patent office did a nice job of conducting, the statistics were stunning in terms of the success, the amount of prior art that was submitted that the examiners themselves said they never would have gotten, they didn't have access to, the incidence of good rejections that were made with the prior art that was submitted, the helpfulness of the commentary, et cetera. It's all about transparency and it's about bringing an arbitrage to bear for the benefit of the patent system so that the people who have information and for whom the cost to provide it is very low can get it effectively to the people who desperately need the information and for whom the cost to obtain it is very high. Peer to patent, you know, really should be implemented across the board in the patent office.

>>MALE SPEAKER

Stephen?

>>STEPHEN KUNIN

I agree with what Dave said. I think that it should be -- peer to patent should be expanded to all fields of technology. And in addition to that, I think that some serious efforts should be made to look at industry-based classification systems with respect to technology and to add that type of classification to patents in addition to the U.S. patent

classification system. Because I've heard for many years that industry has its own standard of classification of technology and why can't the patent and trademark office have its classification system reflect that? And I think if that -- we're in an electronic world. We can add additional indices. I think that would be a great addition for industry.

>>MALE SPEAKER

Arti.

>>ARTI RAI

The search questions you had listed here are searching basically freedom to operate type searches. Yeah. So I'm going to say a little bit about that, although I concur with the prior art search stuff that Dave and Steve are referring to very strongly. And particularly the classification system. I take it that examiners have been wanting a change in that classification system for a while. But anyway to the questions you asked, now, this is not something I know a lot about, but one thing I have heard is that it would help not only to know the patents in doing freedom to operate, but also who the actual assignees are and so that information is also useful and I take it that you're supposed to report that information if you sign a patent, but that doesn't happen very often. I don't know a lot about this, so I'd defer to others, but that's one thing I have heard. Maybe Dave could speak to that.

>>MALE SPEAKER

Real quick. As a member of the advisory board, I concur with everybody's comments on peer to patent, would encourage us to expand it to green and clean technologies so we can send a message the patent system is working in important new areas for the country. Also during the course of developing that system some things repeatedly came up I know the patent office was looking at in terms of how can we have examiners get

appropriate questions answered from people of ordinary skill in the art? Because they're often looking at these references. They know the article on their journal article they're citing. They would love to call and talk to the person who wrote the article and perhaps there are some ways to do that that have the appropriate safeguards that give a good notice function on how that conversation happen, but at the same time get a good read on the level of skill in the art into the record.

>>MALE SPEAKER

And David?

>>DAVID KAPPOS

So back to Arti's point on freedom to operate searches. Arti, I want to see if you can just repeat your --

>>ARTI RAI

I'm not entirely sure what the contours of this concern are, but the problem seems to be that it's hard to figure out who really currently owns a patent. Because it could have been assigned and reassigned. And then I take it there are also shell company concerns. Two different concerns.

>>DAVID KAPPOS

So during the application phase, when a patent application publishes, there's currently no requirement that the assignee of the patent be listed. And that creates a significant notice problem because it's very hard to tell, for those of us who have literally hundreds of cross licenses, it's very difficult to tell if we're licensed to do many patent applications. So you've got a notice problem there. That's easy to fix by requiring identification of assignee on published applications. And the second and more troubling and liability-creating problem is upon assignment, we are seeing instances, you know,

broad-based ones, of assignees registering the patents or listing as the assignees, essentially fictitious or shell companies, typically with fanciful names, and making it as difficult as possible, apparently, to trace back to the true assignee of the patent. So we get into another notice problem there. Once again, we can't tell if we're licensed to the patent because we can't really tell who it was transferred to. Ultimately, we can usually figure that out, although it takes a lot of effort. So why should the public be forced to go through that effort to find out who really owns the asset? In some cases you can't figure it out at all, so you don't know who you need to go to in order to find out if you need to get a license and under what terms you can get one.

>>MALE SPEAKER

Listen, you've all been great. You've gone a long time with me. I did promise you the opportunity to add in anything that you wanted that you hadn't been able to get on the table to this point. You have that chance if anybody wants to. You may all be talked out. I don't see any signs going up on this. So I'm going to thank you. You were a terrific panel and I really enjoyed this session. We learned a lot from you. Thank you again.

>>FEMALE SPEAKER

Thank you.

(Applause)

>>FEMALE SPEAKER

Thank you for doing this.