

Outline of Thoughts on Patent Application Practice Management: The Procurement Side of the Legal and Economic Equation

By Steve Gardner, Kilpatrick Stockton LLP¹

I. Introduction

- A. Very little (almost nothing) written on effective management of patent application practice
- B. Lots written on “patent litigation management” – though most of such writings are along the lines of: “patent litigation is really complicated; we’ve done it a lot; we manage it well; call us.”
- C. Several recent books and articles published on Intellectual Property Asset Management
 - 1. Several are good
 - 2. Focus on how to maximize revenue for IP, and not on the IP-acquisition cost side
- D. This manuscript is organized as follows:
 - 1. Patent drafting is hard and is getting harder
 - 2. Doing it right takes time
 - 3. Hourly rates for good patent attorneys have gone up and continue to go up.
 - 4. Clients want per-application fees to remain steady
 - 5. Patent drafters now have less time to do more
 - 6. One goal is to save time and money without giving up quality.
 - 7. There are a variety of factors that impact per-application fees and quality.
 - 8. There are additional factors that impact overall fees and quality.
 - 9. Some thoughts on helping meet the goal are provided.

II. The Patent Drafter’s Job Has Always Been Challenging – and It Has Been Made More Difficult by Congress, the Supreme Court, Federal Circuit, Patent Office, ... in Recent Years

- A. Drafting high-quality patent applications has always been difficult.
- B. In the last 4-5 years, legislation, many cases, and other aspects of patent practice have added to the time demanded and complexity in patent application practice.
- C. Federal Circuit Examples
 - 1. *Sage Products, Inc. v. Devon Industries, Inc.*, 126 F.3d 1420 (Fed. Cir. 1997): Failure to claim structure that a “skilled patent drafter would foresee” as outside an included limitation creates estoppel for doctrine of equivalents purposes; “as between the patentee who had a clear opportunity to negotiate broader claims but did not do so, and the public at large, it is the patentee who must bear the cost of its failure to seek protection for this foreseeable alteration of its claimed structure”

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2. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000) (en banc), *cert. granted*, 121 S. Ct. 2519 (2001): Section 112 amendments can create estoppel; voluntary amendments can create estoppel; no range of equivalents is available for an amended claim element;

3. *Gentry Gallery, Inc. v. Berkline Corp.*, 134 F.3d 1473, 1479, 45 USPQ2d 1498, 1503 (Fed. Cir. 1998): When written description indicated that a particular element was “essential element of the invention,” the description serves to limit the permissible breadth of later-drafted claims; "... claims may be no broader than the supporting disclosure, and therefore, that a narrow disclosure will limit claim breadth"; and the stated purpose of the invention can be relied upon in construing the claims.

4. *B. Braun Medical Inc. v. Abbott Labs.*, 124 F.3d 1419, 1424 (Fed. Cir. 1997): For purposes of means-plus-function elements, "structure disclosed in the specification is 'corresponding' structure only if the specification or prosecution history clearly links or associates that structure to the function recited in the claim."

5. *Bell Atlantic Network Sys., Inc. v. Covad Comm. Group, Inc.*, 262 F.3d 1258, 1272-73 (Fed. Cir. 2001): Although the ordinary meaning of an element in a claim may be broad, when the element is used consistently throughout the specification in referring to particular embodiments, the scope of the element may be limited to the embodiments of the element disclosed in the specification.

6. The list goes on.

C. Legislative Examples

1. Non-Publication Requests
2. Provisional rights
3. Prior User Defense for “Business Methods”

D. Patent Office Examples

1. Delay in receiving first Office Action
2. Paragraph numbering, formatting,

III. Doing These Things Right Takes Time

- A. Not So Hard, and Not So Time-Consuming: Claiming only very specific embodiment; not advising client regarding import of amendments; not thinking about provisional rights; not thinking about enforcing the patent down the road; not thinking of alternative embodiments / likely design-around attempts; never really understanding the invention

- B. Time-Consuming and Requires Thought: Obtaining a patent that anticipates changes to the disclosed embodiment; understanding the invention; thinking about alternatives; drafting claims that are difficult to design around; drafting an application that has disclosure sufficient to support broad claims, that clearly links all means to carry out functions set out in means-plus-function elements, and has claims that may not be susceptible to a prior-user defense; effectively advising clients about the meaning of amendments, provisional rights;

IV. Hourly Rates for Patent Attorneys Have Gone Up / Continue to Go Up

- A. Great demand for the time of good patent attorneys
 - 1. Increase in application filings
 - 2. Increased awareness (with *State Street Bank*, high-profile suits, ...)
- B. Salaries of patent associates, partner draws went up a great deal over the past several years and continue to go up
 - 1. Competition for good patent attorneys has increased among firms / cos.
 - 2. Good technology job market in the 90s, so fewer engineers / scientists went to law school
 - 3. Very large salary increases in 2001
- C. Consequently, hourly rates increasing

V. Clients Want to Hold Per-Application Fees Steady or Only Small Increase

- A. Difficult economic times, pressure put on all sectors of a company to cut costs
- B. The vast majority of sectors see some success in cutting costs by asking suppliers to cut price
- C. Pressure placed on in-house counsel to
 - 1. Cut / hold steady costs
 - 2. While protecting all the IP of the company
 - 3. While filing more patent applications
 - 4. While turning IP into revenue generator
- D. But:
 - 1. Hourly rates increasing
 - 2. Have to file more patent applications to protect IP
 - 3. How to file more patent applications with the same / less to spend?
 - 4. Can you turn a group of narrowly-drawn patents into a revenue generator without a large number of them? Are the patents that need to be broadly-drawn drafted that way? Who will pay a license for a narrowly-drawn patent?

VI. Combining Increased Complexities in Drafting With Higher Hourly Rate: Less Time to do More

- A. Hourly rates going up + Added Issues = \$X won't buy what it used to
- B. Usually, \$X translates into $\$X / \text{hourly rate} = \text{time to get it done}$
- C. Holding per-application fee steady = Less time to get it done
- D. An example:
Just 10% increase in rate means:
 $\$10,000 / 200 \text{ per hour} = 50 \text{ hours}$
 $\$10,000 / 220 \text{ per hour} = 45.45 \text{ hours}$
Plus, additional time needed (1-2 hours?) to get "the added stuff" done
Means what once had 50 hours to do, now have 43 hours to do. A day less?!?!
- E. Of course, can get a patent application drafted somewhere for virtually anything you want to pay – if you want to pay only \$5,000 per application, someone will do it.

VII. One Important Goal: Saving Time and Money Without Giving Up Quality

- A. With these pressures, taking the time to think about your process in drafting patent applications is important.
- B. We are so busy, it is very easy to just keep on the same path, and not think through how to improve and adjust.

VIII. Some Factors In Per-Application Fees and Quality to Consider

- A. Common factors that result in higher fee for client / lower efficiency for firm:
 1. Staffed inappropriately (e.g., inexperienced in technology, wrong level of attorney)
 2. Poor disclosure / disclosure conference (a good disclosure conference can write the application)
 3. Insufficient senior-attorney supervision / direction
 4. Inventor cannot identify points of difference; becomes large application
 5. Unrealistic estimate given in first place
 6. Attorney not receiving materials needed from client
 7. Attorney turn-over, change, re-training
 8. Non-responsive inventor
 9. Inefficiency in basic tasks (assignments, declarations, IDS, ...)
 10. Inventor review delay
 11. Insufficient "blocked" time by drafting attorney
 12. Office action – double analysis (reporting, drafting response)

13. Insufficiently trained / mentored junior attorneys drafting
14. Inefficient solicitation and incorporation of inventor comments (“draft shuffling”)
15. Inefficient / unreliable secretary
16. Difficulty in having inventor(s) sign declarations / assignments
17. Lack of training
18. Drafts sit for long periods of time on reviewing partner’s desk with no action
19. Missed deadlines for providing reviewing partner with draft application, resulting in time crunch to meet client’s deadlines.
20. Reviewing partner too busy to give sufficient attention to drafts.

B. Common factors for lesser quality of application (the above, especially ...)

1. Poor or no disclosure conference with the inventor
 - a. Not asking the right questions
 - b. Not structuring the conference
2. Poor written disclosure from the inventor
3. Wrong attorney drafting (not understanding the invention)
4. Insufficient supervision / attention by partner
5. Otherwise staffed inappropriately
6. Not having litigation mind-set
7. Main contact not engaged
8. Lack of training
9. Not keeping up with Federal Circuit opinions
10. Drafts sit for long periods of time on reviewing partner’s desk with no action
11. Missed deadlines for providing reviewing partner with draft application, resulting in time crunch to meet client’s deadlines.
12. Reviewing partner too busy to give sufficient attention to drafts.

IX. Some Factors in Overall Fees and Quality (On a Multiple-Application Level)

A. Common reasons for higher fee for client:

1. No or inefficient filing-decision system in place
2. Insufficient advice on whether to file
3. Firm drafting cases outside technology area
4. Firm drafting cases at wrong level
5. Insufficient attention by senior attorney
6. Firm drafting cases with insufficiently trained attorneys
7. Poor use of provisional patent applications
8. Turn-over within firm
9. Not responding to requests for information

B. Common reasons for inadequate quality applications:

1. No senior attorney who understands the business

2. No “enforcement outlook” review of the applications
3. Insufficient attention to the applications generally by senior attorney
4. No or little review of junior attorneys’ work
5. No probing by drafting attorney of “other” embodiments

X. Some Thoughts on Solutions

- A. Time Spent Off the Clock Always Pays – Efficiency, Quality, and Effectiveness
 1. Learn client’s business
 2. Learn the technology area
 3. Train secretary
 4. Train more-junior attorneys
 5. Read the Federal Circuit cases
 6. Develop good questions for disclosure conference
 7. Develop your check-lists, form letters,
 - a. Letter to client re: duty of disclosure
 - b. Letter to client re: how to review the draft application
 - c. Letter to client re: foreign filing possibilities
 - d. Letter to client re: non-publication
 - e. Letters to client re: marking, provisional rights,
 8. Develop good disclosure form for client’s use
 9. Talk to client, talk to client, talk to client
 10. Periodic meetings to discuss how to improve quality and service for client
 11. Substantial CLE on “the latest”
- B. More Efficient / Higher Quality Time on the Clock
 1. Exercise more control at disclosure conference, ask helpful questions
 2. Concentrate on technology area; let someone else be jack of all
 3. Develop shared approach (senior / junior attorney) – e.g., both handle disclosure conference, senior attorney give direction on claims, junior attorney draft base claim set, senior attorney review and comment, junior attorney draft application, senior attorney review, set schedule
 4. Senior attorneys – supervise / train better; junior attorneys – insist on it
 5. Secretary – IDS, Transmittals, Shell of Office Action Response, Reporting Letters,
 6. “Block” time for drafting (easier said than done, yes)
- C. Some Technology Help
 1. Internet-Based Status Tracking For Client
 2. Reporting software / modules
 3. Other client communication
 4. Electronic filing
- D. Some on the Day-to-Day
 1. Docket Review
 - a. Personal

- b. I have a time scheduled with my secretary each week to go over my docket together. She gathers the print outs from the docketing system, goes over them herself before meeting with me, and checks the file when needed; then, we meet.
- 2. Reporting to client
 - a. Preferences matter
 - b. Some prefer a letter for each individual matter (helps to file)
 - c. Others want it held, receive a letter regarding all events, deadlines, etc., once a month
- 3. Examples
 - a. Disclosure Check-List (Attachment A)
 - b. Schedule Grid (Attachment B)
 - c. Instructions on Reviewing Application (Attachment C)
 - d. Memorandum on Duty of Disclosure (Attachment D)
 - e. Outline of application (Attachment E)
 - f. www.KSPatents.com (IP status via Internet)
- D. Developing systems without becoming “preparation and prosecution mill” -- client and inventor contact; contribution to the process; contribution to the client’s goals; creative, not just slogging something out; learning; helping, rewarding; interesting; job satisfaction; ...

Attachment A – An Example of a Generic Disclosure Conference Outline

1. Invention Background
 - A) Without referring to your invention, describe the problem addressed by the invention.
 - B) Again, without referring to your invention, describe how others attempted to solve the problem.
 - C) Again, without describing your invention, what are the disadvantages of other attempts to solve the problem.
2. 3-minute-drill
 - A) Technical - In 3 minutes, describe your invention to a new technical hire, someone with some very basic knowledge, but no experience or knowledge of systems in your organization.
 - i) Think of an elevator ride.
 - ii) The person must be able to go away and make or use the invention without access to you or your documentation, i.e., without asking any questions.
 - iii) Keep the description technical, not a description of why the invention is good or better than past attempts.
 - B) Practical Advantages - In 3 minutes, explain to a capital provider why they should fund this invention; or why a purchaser should purchase – what advantages does it offer?
 - i) What is good?
 - (1) Revenue generation
 - (2) Efficiency/Cost-cutting
 - ii) What are the competitive advantages?
3. Detailed Description
 - A) Tell us how your invention should be made and used:
 - i) Start with system/hardware in the system.
 - ii) Steps the system carries out.
 - iii) Refer to drawings given in the disclosure
 - B) Describe features that are new; how is your invention different than the conventional?
 - C) What is the closest product / process to your invention?
 - D) What aspects of your invention do you want to protect, stop others from doing and/or receive payment for?
 - E) Who are likely users / infringers?
4. Public Use/On Sale Bar
 - A) Prior disclosure / offer for sale?
 - B) Any plans to disclose or implement in the future/if so when?
5. Ongoing Duty to Disclose
6. Inventorship
 - A) Meaning of conception, co-inventorship
 - B) Names, citizenships, home address

Attachment B – Example Schedule Grid for Partner – Associates Team

Client TechCo, Inc.

**Schedule for Draft Patent Applications to Inventors for Disclosures Taken June 31, July 1, 2001
For Joe Q. Partner (JP) and Team**

Matter Number	1001	1002	1003	1004	1005	1006	1007	1008
Drafting Attorney	John	John	John	Jane	Jane	Jim	Jack	Jack
Draft Set of Claims & Outline to JP	6/7/01	6/14/01	6/27/01	6/13/01	6/13/01	6/14/01	6/18/01	6/18/01
Comments from JP	6/9/01	6/19/01	6/29/01	6/15/01	6/15/01	6/15/01	6/20/01	6/20/01
Draft Application to JP	6/30/01	6/25/01	7/6/01	6/22/01	6/22/01	6/21/01	7/9/01	7/9/01
Comments from JP	7/3/01	6/26/01	7/9/01	6/27/01	6/27/01	6/22/01	7/12/01	7/12/01
*Revised Application to JP	7/8/01	6/27/01	7/11/01	7/9/01	7/9/01	6/25/01	7/20/01	7/20/01
Comments from JP	7/10/01	6/27/01	7/12/01	7/11/01	7/11/01	6/26/01	7/24/01	7/24/01
Revised Application to Inventor	7/14/01	6/28/01	7/17/01	7/27/01	7/27/01	6/27/01	7/26/01	7/26/01

"By" means sending that day or getting it to the other attorney by the end of that day.

John Out of Office	June 15, 18, 19; July 18-28
Jane Out of Office	July 4-25, Aug 10-18
Jim Out of Office	June 15, 28-29; July 6-13
Jack Out of Office	None planned in time range
JP Out of Office	July 13-21

1001 Customer Data Management System
 1002 Method for Manufacture of Products
 1003 Machine Calibration System
 1004 Processor Error-checking System

1005 Default Application Correction
 1006 Use Tracking Device
 1007 Digital Recording System
 1008 Method for Adjusting Target

Attachment C – Example Letter to Inventors Regarding Review of Draft Application

Privileged and Confidential

Mr. Joe Q. Inventor
Ms. Jane Q. Discover
HighTech Co.
1000 1st Street
Anywhere, NC 27104

Re: Draft Utility Patent Application
METHOD FOR EVALUATING DATA
Action Needed: Review and Comment
Our Reference: 367901/260083
Your Reference: 2002-016

Dear Joe and Jane:

Please find enclosed a draft of the above-referenced United States utility patent application. The draft application comprises a thirty (30) page specification, including twenty-five (25) initial claims. The draft application also includes fifteen (15) drawings.

Please examine the draft application carefully and provide any comments to me. Although we are not aware of any immediate filing deadline, we would like to have your comments by Friday, October 5, if possible. Please let me know as soon as possible if there is any upcoming event (for example, a disclosure of the invention) of which I should be aware. Shortly after receiving your comments, we will finalize the application and send a final draft, along with formal papers for your signature, to you.

As we have discussed, the patent laws and regulations impose substantive requirements and duties on those involved with a patent application. From my review of the disclosure documents, and my conversation with you, I believe that the application meets all of these requirements. Please bring any questions or thoughts that you might have to my attention, however. Below, this letter provides some guidance on your review of the application in light of those requirements and duties.

Inventorship

My understanding is that the two of you are the sole co-inventors of the claimed invention. Once you have reviewed the claims, you should consider whether anyone else originally conceived or contributed to the conception of the invention as described by each claim. “Conception” essentially means forming a definite idea of the complete and operative invention as it is thereafter applied in practice in the mind of the inventor. If any other person should also be listed as a co-inventor, please let me know as soon as possible. All inventors, accordingly, should review the entire application for technical accuracy and completeness and advise us of any required changes.

Additionally, please provide me with the full name, citizenship, and home address of each of the inventors. The Patent Office requires such information for certain declarations.

Best Mode and Enabling Description

As you review the application, please remember that the specification (e.g., the “Detailed Description of the Invention”) must enable and disclose the best mode (i.e., the best way) known to the inventors of carrying out the invention. For example, you may not keep “the best” aspects of the invention “secret” by leaving them out of the application.

Also, the specification (e.g., the “Detailed Description of the Invention”) must enable one of ordinary skill in the art, such as another engineer or researcher who works in the field, to make and use the invention. Please review the application to be sure that each requirement is met.

Claims

Please pay particular attention to the claims. The “Claims” are the numbered paragraphs at the end of the application. The claims define the scope of the patent owner’s right to exclude. You should make sure that the claims define the desired scope of exclusion and do not claim products or processes in the prior art. I recognize that understanding the scope of a claim often requires some background in claim interpretation, so please do not hesitate to ask any question that you may have.

Claim of Priority

It is my understanding that no provisional patent application was filed for this invention, and so this utility application will not claim the benefit of any pending patent application. Please let me know if my understanding is incorrect.

Duty of Disclosure to the Patent Office

Persons associated with a patent application are required to disclose any information known to them which is “material” to the examination of the patent application. I have attached a memorandum regarding this duty and setting out the text of the relevant regulation. Please examine the memorandum, provide a copy of the memorandum to the inventors, and let me know if you have any questions or any material for disclosure. Please be sure to provide this memorandum only to persons employed by the company. If there are outside inventors, we should provide them with a similar, but separate, memorandum in order to maintain our attorney-client privilege.

Foreign Filing

Utility patent applications are now published by the Patent Office eighteen (18) months after the effective filing date unless the applicant files a Request for Non-Publication and Certification that the applicant has not and will not seek foreign patent rights at the time of filing. Thus, we need to know your intentions as to foreign filing before the above-referenced utility patent application is filed with the Patent Office. Please let me know if you intend to seek foreign patent rights for the invention.

I look forward to hearing from you with comments on the application. Please do not hesitate to call me if you have any questions in the meantime.

Very truly yours,

John Q. Attorney

Enclosures

Attachment D – Example Memorandum Regarding Duty of Disclosure

Memorandum

Privileged and Confidential

To: John Q. Inventor, Jane Q. Discoverer

From: John Q. Attorney

Re: Guidance on Information That Must be Disclosed to the Patent Office During Prosecution of a Patent Application

Executive Summary

All persons associated with a patent application have a duty to disclose to the Patent Office all information material to the patentability of the invention claimed in the application. Disclosure is important, not only because it is mandated, but because disclosure often results in a stronger patent. Moreover, the intentional failure to disclose material information can render the patent unenforceable.

You should provide to us for disclosure to the Patent Office at least any information that shows products or processes that (1) were in existence before the application was filed and (2) are “close to” or “related to” the invention claimed in the subject patent application, including information about the products or processes that you believe that the invention improves upon. Err on the side of disclosure. You do not have to provide cumulative information, but if you have any doubt about whether it is cumulative, you should disclose it to us for consideration. Also, you do not have to perform a search for such information. You must, however, disclose any such material of which you are aware.

Please forward such material to me as soon as possible after reviewing the draft application and providing your comments to us. Also, please let me know if you have any questions.

I. Introduction

The patent laws impose a duty of candor and good faith on all individuals associated with the filing or prosecution of a patent application. As part of this duty, the patent laws require that all such individuals disclose to the Patent Office all information known to that individual to be material to the patentability of the invention claimed in the patent application. This information should be disclosed to the Patent Office soon after the application is filed.

The intentional failure to disclose material information to the Patent Office during prosecution of the patent can render the relevant patent unenforceable and void. Thus, it is very important not to withhold information intentionally.

This memorandum provides guidance as to what information individuals associated with the filling or prosecution of a patent application must disclose to the Patent Office. Persons with a duty to disclose should err on the side of inclusion and disclosure to avoid future problems. If you have any question about whether particular information must be disclosed, or discover that information that should be disclosed is particularly sensitive, please consult me. The text of this memorandum is meant to provide guidance. The regulation reprinted at the end of this memorandum contains the complete and detailed mandate of disclosure. You should examine it as well.

II. Persons Who Have a Duty to Disclose

Individuals on which the duty to disclose is imposed include: (1) Each inventor named in the application; (2) Each attorney or agent who prepares or prosecutes the application; and (3) Every other person who is substantively involved in the preparation or prosecution of the application and who is associated with the inventor, with the assignee, or with anyone to whom there is an obligation to assign the application.

Thus, the duty to disclose should be viewed as imposing the duty to disclose on: (1) each person named as an inventor in the application (whether employee, consultant, or contractor); (2) the patent attorney(s) who prepare and prosecute the application, and any other attorney involved in the preparation or prosecution of the application; and (3) persons other than the named inventor(s) who assist in a substantive way with the patent application, and who are associated (a) with the named inventor(s), (b) the assignee (eg, the company), or (c) any other person or entity to whom the named inventor(s) or the company are obligated to assign the application.

III. What Must Be Disclosed

Any information that a patent examiner might consider “material to patentability” should be disclosed. The Code of Federal Regulations, 37 CFR § 1.56, provides a definition of “material to patentability,” and this memorandum provides some guidance related to that definition below (you should read the definition and the provided guidance). The regulations provide as follows:

Information is “material to patentability” when it is not cumulative to information already of record or being made of record in the application, and

- (1) It establishes, by itself or in combination with other information, a prima facie case of unpatentability of a claim; or
- (2) It refutes, or is inconsistent with, a position the applicant takes in:
 - (i) Opposing an argument of unpatentability relied on by the Office, or
 - (ii) Asserting an argument of patentability.

A prima facie case of unpatentability is established when the information compels a conclusion that a claim is unpatentable under the preponderance of evidence,

burden-of-proof standard, giving each term in the claim its broadest reasonable construction consistent with the specification, and before any consideration is given to evidence which may be submitted in an attempt to establish a contrary conclusion of patentability.

In general terms, the regulations mean that at least the following information is material:

- (1) any information that tends to show that the invention claimed in the subject patent application was not new at the time the application was filed;
- (2) any information that tends to show, by itself or in combination with other information, that the invention claimed would have been considered obvious to a person of ordinary skill in the relevant field at the time the application was filed; and
- (3) any information that is inconsistent with an argument made to the Patent Office while pursuing the patent.

In the broadest terms, you should provide to me for disclosure at least any information that shows products or processes that (1) were in existence before the application was filed and (2) are “close to” or “related to” the invention claimed in the subject patent application, including information about the products or processes that you believe that the invention improves upon. Also, if you know of information that is inconsistent with an argument that is made to the Patent Office, you should provide it to counsel immediately. You do not have to provide cumulative information (duplicates of the same information), but if you have any doubt about whether it is cumulative, you should disclose it to me for consideration.

If you have any question about whether information is material, please consult me.

IV. Where to Look

Information disclosed to the Patent Offices comes in a wide variety of forms. Common forms are: (1) manuals; (2) brochures; (3) catalogs; (4) drawings; (5) patents; (6) patent applications; (7) articles; (8) manuscripts; (9) books; and (10) video tapes. You do not have an obligation to search for material information of which you are not aware. You must, however, disclose any such information of which you are aware. In gathering any material information, you should consider the type of invention at issue, and consider where you keep information about related products and processes, and where you keep information about products and processes that are “close to” or “related to” the subject invention.

I will disclose to the Patent Office any patents or patent applications that were found during any prior art search associated with the subject application. However, if you are aware of any different patents or patent applications that may be material, please forward them to me.

V. Conclusion

As mentioned above, you should err on the side of inclusion. Complete and thorough disclosure often results in a stronger patent. Please consider both the guidance in this memorandum and 37 CFR § 1.56 below. If you have any questions about the duty of disclosure or information for disclosure, please ask me.

Section 1.56 of title 37 of the Code of Federal Regulations, Entitled “Duty to disclose information material to patentability”

(a) A patent by its very nature is affected with a public interest. The public interest is best served, and the most effective patent examination occurs when, at the time an application is being examined, the Office is aware of and evaluates the teachings of all information material to patentability. Each individual associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability as defined in this section. The duty to disclose information exists with respect to each pending claim until the claim is canceled or withdrawn from consideration, or the application becomes abandoned. Information material to the patentability of a claim that is canceled or withdrawn from consideration need not be submitted if the information is not material to the patentability of any claim remaining under consideration in the application. There is no duty to submit information which is not material to the patentability of any existing claim. The duty to disclose all information known to be material to patentability is deemed to be satisfied if all information known to be material to patentability of any claim issued in a patent was cited by the Office or submitted to the Office in the manner prescribed by SS 1.97(b)-(d) and 1.98. However, no patent will be granted on an application in connection with which fraud on the Office was practiced or attempted or the duty of disclosure was violated through bad faith or intentional misconduct. The Office encourages applicants to carefully examine: (1) prior art cited in search reports of a foreign patent office in a counterpart application, and (2) the closest information over which individuals associated with the filing or prosecution of a patent application believe any pending claim patentably defines, to make sure that any material information contained therein is disclosed to the Office.

(b) Under this section, information is material to patentability when it is not cumulative to information already of record or being made of record in the application, and (1) It establishes, by itself or in combination with other information, a prima facie case of unpatentability of a claim; or (2) It refutes, or is inconsistent with, a position the applicant takes in: (i) Opposing an argument of unpatentability relied on by the Office, or (ii) Asserting an argument of patentability.

A prima facie case of unpatentability is established when the information compels a conclusion that a claim is unpatentable under the preponderance of evidence, burden-of-proof standard, giving each term in the claim its broadest reasonable construction consistent with the specification, and before any consideration is given to evidence which may be submitted in an attempt to establish a contrary conclusion of patentability.

(c) Individuals associated with the filing or prosecution of a patent application within the meaning of this section are: (1) Each inventor named in the application; (2) Each attorney or agent who prepares or prosecutes the application; and (3) Every other person who is substantively involved in the preparation or prosecution of the application and who is associated with the inventor, with the assignee or with anyone to whom there is an obligation to assign the application.

(d) Individuals other than the attorney, agent or inventor may comply with this section by disclosing information to the attorney, agent, or inventor.

Attachment E – Example Application Outline

Outline of the application: Title

- I. Field of the Invention.
- II. Related Patent Application
 - A. Claim Priority to:
 - B. Incorporate By Reference:
 - C. Other to refer to:
- III. Background
 - A. Current state of the art
 1. From disclosure
 2. From prior art search, if any
 - B. Problems with current state
- IV. Summary of the Invention
 - A. Use claims / overview
 - B. Advantages of invention
- V. Brief Description of Figures
 - A. System diagrams as follows:
 - B. Process flow diagrams as follows:
- VI. Detailed Description
 - A. Describe system
 - B. Describe first embodiment of process
 - C. Describe second embodiment of process
 - D. Other embodiments, applications
- VII. Draft Claims (attached)
 - A. Who want to capture with claims?
 - B. What is novel structure / combination of structures?
 - C. What is novel step / combination of steps?
- VIII. IDS
 - A. Prior Art Search?
 - B. Checked with inventors?
 - C. Other?
- IX. Inventor(s)
 - A. Full Name(s)
 - B. Citizenship, Address
 - C. Declaration(s)
 - D. Assignment(s) (if needed)