

## **Pre-Grant Patent Publication: The Art of Redacting?**

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Secrecy has long been a hallmark of the U.S. patent system. In exchange for the limited exclusivity afforded by an issued patent, the inventor agrees to place the details of the invention in the public domain. Until the patent issues, however, the U.S. Patent and Trademark Office (PTO) maintains those details in confidence. As a result, up to the time of patent issuance, whether to disclose the invention and the fact that a U.S. patent application has been filed is in the hands of the inventor. This feature of the U.S. patent system has distinguished it from the patent systems of most other countries, which generally require public disclosure of patent-pending inventions before patent grant.

On Nov. 29, 2000, the U.S. patent system will undergo what the PTO itself says is “one of the most fundamentally significant changes to the American patent system in this century.”<sup>1</sup> The PTO, on that date, will implement one of the requirements of the American Inventors Protection Act of 1999 (AIPA) -- pre-grant publication of pending U.S. patent applications. With some exceptions, patent applications filed with the PTO will no longer be cloaked in secrecy. Instead, they will be readily available for inspection by the public. Therefore, inventors accustomed to prolonged privacy within the PTO must now prepare for early disclosure.

The AIPA mandates the publication of any U.S. patent application filed on or after November 29, 2000. The notice of final rules implementing pre-grant publication was published September 20, 2000 in the Federal Register.<sup>2</sup> Pre-grant publication is another in a series of steps toward harmonization of the U.S. patent system with those of other countries, and another torpedo launched at the dreaded “submarine” patent.

Termed “PG-Pub” by the PTO, pre-grant publication will occur “promptly after” the expiration of 18 months from the filing date of the application, or 18 months from the filing date of any U.S. or foreign patent application from which the benefit of an earlier filing date is claimed. Excluded from publication are patent applications filed before Nov. 29, 2000, design applications, provisional applications, applications subject to secrecy orders, and applications that are abandoned or issued as patents prior to the publication date. It is worth noting that the PTO has a stated goal of 18 months of pendency for each application between filing and issuance or abandonment. A fair number of applications do issue in that time frame, so it is apparent that not every application will be subject to pre-grant publication.

An applicant can avoid publication by submitting a request at the time of filing, and certifying that no counterpart application will be filed in a foreign country or under any international agreement, e.g., Patent Cooperation Treaty (PCT), that requires publication. The AIPA also permits voluntary publication of patent applications filed before Nov. 29, 2000, however, if the applicant requests it and provides the PTO an electronic version of the application. The PTO will scan new applications to facilitate the mandatory publication process.

According to the PTO, the form of publication will be electronic, and publications will be available and searchable via the Internet. Publication is expected to involve a 14-week prepublication cycle that culminates with publication on the first Thursday following the 18-month date.<sup>3</sup> Incoming patent applications will be scanned as mentioned above, and added to an image database at the beginning of the prosecution process, avoiding the need to access the prosecution file for publication and minimizing disruption. In another major shift, the public may obtain a copy of the file wrapper for a fee following publication of the application. The file wrapper used by the examiner will be off-limits to avoid disruption.

Notably, each pre-grant publication will constitute prior art as of its publication date. Any issued patent granted on the application will continue to constitute prior art under 35 U.S.C. § 102(e). The PTO surmises that the pre-grant publication “will likely become the predominant form of prior art used by examiners and the public” because it will carry an earlier publication date than later-issuing patents and will be published whether a patent ultimately issues or not.<sup>4</sup>

Pre-grant publication, along with the 20-year term enacted in 1995, helps sink the “submarine” patent. A submarine patent generally refers to a patent issued long after the filing date of an application, and to the surprise of industry players who had no idea patent protection had been sought. Unlike a real submarine, a submarine patent wreaks the most havoc when it surfaces. The classic and well-documented example of submarine patent warfare involves the family of “machine vision” patents granted in the early 1990’s to Jerome Lemelson based on patent applications filed in the 1950’s and thereafter prosecuted in secrecy. A number of patent infringement lawsuits involving the Lemelson patents are presently pending.

Importantly, pre-grant publication does not apply to applications filed only in the U.S., provided they are accompanied by a certification to that effect. This leaves open the possibility that some patent applications may go undetected, and provide their owners with a sneak-attack when they issue as patents. Still, the twenty-year term places practical limits on the delay tactics employed in the past.<sup>5</sup> Moreover, a large number of applicants will be motivated to pursue foreign patent protection, and therefore are likely to accede to the pre-grant publication requirement.

For many applicants, pre-grant publication will be routine and an inevitable result of a global patent strategy that involves procurement of patents in other countries. For some applicants and some applications, however, secrecy may be desirable for a variety of reasons. As one example, an applicant may have already squandered its foreign filing rights under the absolute novelty requirement predominant in most foreign patent laws, but retain the right to file a U.S. patent application within the one-year grace period available to U.S. applicants. In this case, the applicant may see no reason to tip off competitors as to the existence of the patent application, and therefore prefer secrecy.

To at least have the opportunity to avoid publication, an understanding of the new rule changes implementing pre-grant publication is necessary. Moreover, failure to comply

with some of the rules can result in abandonment of an application. The final rules published Sept. 20, 2000 provide thirty-eight rule changes or new rules, ranging from fees for obtaining publication copies to provisions for publication of redacted versions of pending applications. An overview of new Rules 211, 213, 215, 217, 219, and 221<sup>6</sup>, which go into effect Nov. 29, 2000, is provided below.

Rule 211 provides that each U.S. national application filed under 35 U.S.C. § 111(a) and each international application filed under 35 U.S.C. § 371 will be published promptly after the expiration of 18 months from the earliest effective filing date. A question raised by Rule 211 concerns applications filed shortly after Nov. 29, 2000, which claim filing priority from applications filed 18 or more months prior. How promptly can those applications be published? The 14-week prepublication cycle described by the PTO may be the guide.

Rule 213 specifies the requirements for a “nonpublication request.” In particular, Rule 213 requires that the request be submitted upon filing, state in “a conspicuous manner” that the application is not to be published, and contain a certification that the invention disclosed in the application has not and will not be the subject of a foreign counterpart application. The applicant may rescind the nonpublication request at any time, but must notify the PTO within 45 days after the filing of any foreign counterpart application. Failure to timely notify the PTO of the foreign filing “shall result” in abandonment of the application.

Rule 215 sets forth the content of the pre-grant publication document, and permits the applicant to submit assignee information for inclusion in the publication. In addition, the applicant may seek to have the application published in an amended form provided the copy is submitted according to the PTO electronic filing system requirements within one month following the filing date of the application (or 14 months following the effective filing date in the case where the benefit of an earlier filing date is claimed).

Rule 217 permits publication of a redacted copy of the application. If the applicant filed foreign counterpart applications that included less content than the U.S. application, the additional content may be redacted from the U.S. application and not included in the pre-grant publication. The best mode requirement is not relevant in many other patent systems. Therefore, in theory, disclosure relating to best mode could be excised from foreign counterpart applications. In this case, redacting of the U.S. application may be a way to conceal the best mode, at least at the pre-grant publication stage. In addition, it seems that additional content incorporated in a continuation-in-part (CIP) application claiming an earlier filing date could be readily redacted to conceal later refinements from public view.<sup>7</sup>In either case, prolonged concealment could provide real competitive advantage for some applicants and some inventions.

The redacted copy under Rule 217 must be submitted within 16 months of the earliest effective filing date, and must be in accordance with the PTO electronic filing system requirements. In addition, Rule 217 adds the requirement that the applicant include with the redacted copy a certified copy of the foreign counterpart application, a translation if

necessary, a marked-up copy showing the redactions in brackets, and a certification that the redactions eliminate only the excess disclosure not present in the foreign counterpart application. Under Rule 217, the public may nevertheless obtain a copy of the complete file wrapper pertaining to a published application unless the applicant also attends to redacting the file wrapper.

Rule 219 provides that applications may be published earlier than 18 months if the applicant so requests. A request for early publication requires a publication fee (\$300), however, and is not guaranteed any particular date of publication. With the various delays involved in patent issuance, the timing of the early publication may be unpredictable.

Rule 221 permits voluntary publication of applications filed before Nov. 29, 2000, provided such applications remain pending when the voluntary publication request is made. Again, the PTO specifies that the applicant must include with the request a copy of the application in conformance with PTO electronic filing system requirements. With this recurring theme, it may pay to become familiar with electronic filing sooner than later. In addition, the applicant must provide the publication fee (\$300) and a processing fee (\$130).

In general, the new rules appear straightforward. To avoid publication or redact sensitive information, however, the applicant must act promptly. Therefore, patent practitioners should commence work immediately to formulate new docket entries, e.g., for submission of a nonpublication request. Similarly, clients should be advised of the availability of the nonpublication request as well the voluntary publication request for defensive purposes.

With the PTO's 14-week prepublication cycle as a guide, the first pre-grant publications (for applications filed on or after Nov. 29, 2000 but claiming filing dates 18 months or more earlier) should begin to publish in March of 2001. Practice will prove the suitability of the new rules package to the task of implementing pre-grant publication. As usual, however, PTO execution and not the rules themselves will likely determine how smooth the transition will be.

#### Endnotes

1. October Issue of USPTO Today, at page 15.
2. 65 Fed. Reg. 57023
3. 65 Fed. Reg. 57028
4. October Issue of USPTO Today, at page 16.
5. This holds true even though the AIPA also provides inventors with term restoration for excessive prosecution delays. Term restoration is generally proportional to PTO delay and offset by inventor delay.
6. 37 C.F.R. § 1.211, 1.213, 1.215, 1.217, 1.219, 1.221
7. It is unclear whether a separate 18-month clock would begin running from the CIP filing date for the newly added subject matter.