PTO 24 Month de facto Provisional Practice: Be Careful!!!!

Today, the Patent Office published a Federal Register notice, Extension of the Extended Missing Parts Pilot Program, that extends through the end of this year the “24 month provisional” scheme that is designed to permit early commercialization efforts after the provisional is filed without the expense of a detailed drafting of the application by a patent attorney: Then, at 24 months from the provisional filing, the full effort is provided with a regular application.

A Dangerous Strategy with Limited Utility to Create Valid Patents:
To the extent that an applicant wants to have generic coverage based upon a limited disclosure in an application filed 24 months from the date of the provisional, the probability exists that (a) some of the commercialization efforts in the first 12 months will constitute “prior art” under the Leahy Smith America Invents Act; and (b) a generic claim broader than the original disclosure created 24 months after the provisional will not meet the strict disclosure standards of In re Ruscetta and New Railhead. The confluence of the two factors will necessarily lead to invalidity of any generic claim that may result in the eventual patent.

The pdf version of this note includes a turquoise excerpt from the Federal Register notification that underscores the Ruscetta and New Railhead problems and a pink excerpt from a guideline of April 10, 2010, that spells out the problems under this line of case law.

Regards,
Hal

January 10, 2013
SUMMARY: The United States Patent and Trademark Office (USPTO) implemented a pilot program (Extended Missing Parts Pilot Program) in which an applicant, under certain conditions, can request a twelve-month time period to pay the search fee, the examination fee, any excess claim fees, and the surcharge (for the late submission of the search fee and the examination fee) in a nonprovisional application. The Extended Missing Parts Pilot Program benefits applicants by permitting additional time to determine if patent protection should be sought—at a relatively low cost—and by permitting applicants to focus efforts on commercialization during this period. The Extended Missing Parts Pilot Program benefits the USPTO and the public by adding publications to the body of prior art, and by removing from the USPTO's workload those nonprovisional applications for which applicants later decide not to pursue examination. The USPTO is extending the Extended Missing Parts Pilot Program until December 31, 2013, to better gauge whether the Extended Missing Parts Program offers sufficient benefits to the patent community for it to be made permanent.

DATES: Duration: The Extended Missing Parts Pilot Program will run through December 31, 2013.

SUPPLEMENTARY INFORMATION: The USPTO cautions all applicants that, in order to claim the benefit of a prior provisional application, the statute requires a nonprovisional application filed under 35 U.S.C. 111(a) to be filed within twelve months after the date on which the corresponding provisional application was filed. See 35 U.S.C. 119(e). It is essential that applicants understand that the Extended Missing Parts Pilot Program cannot and does not change this statutory requirement.

I. Requirements: As required for all nonprovisional applications, applicant will need to satisfy filing date requirements and publication requirements. In accordance with 35 U.S.C. 122(b), the USPTO will publish the application promptly after the expiration of eighteen months from the earliest filing date to which benefit is sought.
III. Important Reminders: Applicants are reminded that the disclosure of an invention in a provisional application should be as complete as possible because the claimed subject matter in the later-filed nonprovisional application must have support in the provisional application in order for the applicant to obtain the benefit of the filing date of the provisional application.

Furthermore, the nonprovisional application as originally filed must have a complete disclosure that complies with 35 U.S.C. 112(a) which is sufficient to support the claims submitted on filing and any claims submitted later during prosecution. New matter cannot be added to an application after the filing date of the application. See 35 U.S.C. 132(a). In order to be accorded a filing date, a nonprovisional application must include a specification concluding with at least one claim as prescribed by 35 U.S.C. 112 and a drawing as prescribed by 35 U.S.C. 113. See 35 U.S.C. 111(a). While only one claim is required in a nonprovisional application for filing date purposes and applicant may file an amendment adding additional claims later during prosecution, applicant should consider the benefits of submitting a complete set of claims on filing of the nonprovisional application. This would reduce the likelihood that any claims added later during prosecution might be found to contain new matter. Also, if a patent is granted and the patentee is successful in litigation against an infringer, provisional rights to a reasonable royalty under 35 U.S.C. 154(d) may be available only if the claims that are published in the patent application publication are substantially identical to the patented claims that are infringed, assuming timely actual notice is provided. Thus, the importance of the claims that are included in the patent application publication should not be overlooked.

[T]he extended missing parts period does not affect the twelve-month priority period provided by the Paris Convention …. Thus, any foreign filings must still be made within twelve months of the filing date of the provisional application if applicant wishes to rely on the provisional application in the foreign-filed application or if protection is desired in a country requiring filing within twelve months of the earliest application for which rights are left outstanding in order to be entitled to priority.

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PTO PROPOSES A NEW 24 MONTH DE FACTO PROVISIONAL APPLICATION SCHEME*

[April 3, 2010]

Harold C. Wegner**

In a rulemaking proposal published yesterday in the Federal Register the current provisional application which requires conversion to a regular filing within 12 months would be modified as a new 24 month de facto provisional application scheme whereby the applicant would have a de facto period of 24 months to decide whether to have the application enter the regular examination queue.

The gist of the proposal is the “better targeting of applicant resources to commercialization efforts at critical time periods, which efforts can ultimately result in creation of jobs as well as new products and services.” If applicants follow the invitation of the 24 month de facto provisional application scheme they would (a) work toward commercialization of their invention in the 24 month period instead of hiring a patent attorney to create meaningful claims and disclosure; and (b) at 24 months invest in a patent attorney’s efforts with such claims and disclosure.

However, the fly in the ointment is that the commercialization efforts to the extent there is disclosure of the invention to the public within the first 12 months will create a statutory bar against the new claims, making any patent grant worthless.

Detailed Discussion

In perhaps the most creative rulemaking of the new Administration, “[t]he [USPTO]… is considering a change that would effectively provide a 12-month extension to the 12-month provisional application period (creating a net 24-month period).” Request for Comments on Proposed Change To Missing Parts Practice, 75 Fed. Reg. 16750 (April 2, 2010), http://edocket.access.gpo.gov/2010/2010-7520.htm. * * *
Benefits of the 24 month de facto provisional application scheme:

The Office touts two benefits to patent applicants:

First, the 24 month de facto provisional application scheme provides “[a] … benefit [which] is added flexibility for applicants who may otherwise be forced to expend resources completing nonprovisional applications that may prove unnecessary given an additional year of commercialization efforts. Providing a longer time period to reply to a missing parts notice would give applicants more time to ascertain the value of their inventions, thereby helping applicants to decide whether to incur the additional costs associated with pursuing patent rights.” 75 Fed. Reg. at 16751.

Second, “[another] benefit is better targeting of applicant resources to commercialization efforts at critical time periods, which efforts can ultimately result in creation of jobs as well as new products and services.” 75 Fed. Reg. at 16751.

The Current Provisional Practice

Today, some applicants use a provisional application to file the basic engineering or laboratory notebook disclosure as a provisional application, without hiring a patent attorney to craft claims, thereby deferring most patent procurement costs until one year after the provisional is filed. During the one year period commercialization efforts are underway to gauge the importance of the innovation, gain funding and otherwise refine the innovation. At the end of one year, a patent attorney is hired who will then redraft the entire case with generic claims to provide effective coverage for the invention. Additionally, a PCT or foreign applications may be filed within one year from the provisional application date under the Paris Convention.

To be sure, one of the drawbacks of the current practice is that the new claims and disclosure provided by the patent attorney gain priority as of the provisional date only for what is disclosed in the provisional. Thus, the “regular” case (or a foreign parallel case) filed after one year will generally have a priority date for patent defeating purposes against third parties as of the priority date and may also have an affirmative patent-obtaining priority right for claims to specific embodiments actually disclosed in the provisional.
While there will be no patent-obtaining priority right for the new claims created by the patent attorney as part of the regular application which contain limitations not found in the provisional application, such claims will not be barred by the otherwise 35 USC § 102(b) intervening commercialization efforts subsequent to the provisional filing date because of the one year grace period of 35 USC § 102(b).

**Optimum operation of the 24 month de facto provisional application scheme**

Under the 24 month de facto provisional application scheme the applicant at the end of 12 months would include at least one claim of any kind and pay the full basic filing fee, but defer the time for finalizing formalities to 24 months from the provisional filing date. The application would also be published at 18 months. Then, at 24 months, the applicant would amend the application to include a full set of claims and other disclosure for the “regular” application. The theory is that by giving the applicant one extra year, this provides “better targeting of applicant resources to commercialization efforts at critical time periods, which efforts can ultimately result in creation of jobs as well as new products and services.” 75 Fed. Reg. at 16751.

**Failure of the 24 month de facto provisional application scheme:**

The commercialization efforts involving disclosure of the invention to outsiders within the first year from filing will create a fatal defect for claims presented at 24 months from the filing date which lack a full “written description” in the provisional application. The *New Railhead* case explodes the myth that claims can be presented based upon a provisional that does not meet the requirements of 35 USC § 112, ¶ 1. *New Railhead Mfg. v. Vermeer Mfg.*, 298 F.3d 1290 (Fed. Cir. 2002)(Michel, J.).

Thus, “[c]laims enjoy the earlier filing date only if the provisional application provided adequate written description under 35 U.S.C. § 112, ¶ 1.” Trading Techs. Int'l, Inc. v. eSpeed, Inc., 595 F.3d 1340 (Fed. Cir. 2010)(Rader, J.)(quoting *New Railhead*, 298 F.3d at1294). In other words, claim limitations that would be added for the first time 24 months after filing without support in the provisional application as filed would not be entitled to priority. Where a claim is presented after the priority filing, the applicant must show “that he or she ‘had invented each feature that is included as a claim limitation[.]’” Cordis Corp. v. Boston Sci. Corp., 561 F.3d 1319, 1332 (Fed. Cir. 2009)(Dyk, J.)(quoting *New Railhead*, 298 F.3d at 1295)(emphasis added).
Creating a Genus based upon a Species Disclosure is New Matter

Under the Ruscetta line of cases, if a generic claim and corresponding generic disclosure are presented after the priority date where the priority application only discloses species, the generic claim is not entitled to priority based upon the species. In re Ruscetta, 255 F.2d 687 (CCPA 1958). (The argument is sometimes made that because the parent application discloses a species a counterpart application or other disclosure of the species after the priority date cannot be patent-defeating because priority is given to the earlier case for the species. But, the claim to the genus does not have priority so that the intervening disclosure of the species creates a statutory bar under 35 USC § 102(b).

Thus, “the description of a single embodiment of broadly claimed subject matter constitutes a description of the [broadly claimed] invention for anticipation purposes whereas the same information in a specification might not alone be enough to provide a description of that invention for purposes of adequate disclosure.” In re Lukach, 442 F.2d 967, 970 (CCPA 1971)(citations omitted).

The Application Cannot be Amended to Add Unsupported Claims

Under the 24 month de facto provisional application scheme the patent attorney enters the scene at 24 months and then amends the application to meet disclosure requirements including adding new claims and supporting disclosure. But, this would in any event involve new matter within the meaning of 35 USC § 132. Therefore, this plan would not work without the use of a continuation-in-part to add the new disclosure. And, of course, to the extent that the invention has been commercialized more than one year before the continuation-in-part date the previously unsupported claims would be barred under 35 USC § 102(b).

Foreign Rights under the 24 month de facto provisional application scheme

Any foreign application filed 24 month after the original filing date would be barred by the 18 month publication of the provisional application which stands as a patent-defeating publication under the laws of Europe and Asia against a later filed application. A 24 month-filed foreign application would neither be entitled to priority under the Paris Convention nor would it escape the patent-defeating effect of the 18 month publication because there is no grace period under most foreign laws to disqualify the applicant’s patent publication as prior art.