Chapter 2000 Duty of Disclosure; Rejecting and Striking of Applications

This Chapter deals with the duties owed toward the Patent and Trademark Office by the inventor and every other individual who is substantively involved in the preparation or prosecution of the application and who is associated with the inventor or the inventor's assignee. These duties, of candor and good faith and disclosure have been codified in 37 CFR 1.56, as promulgated pursuant to carrying out the duties of the Commissioner under Sections 6, 131 and 132 of Title 35 of the United States Code.

Also covered is subsection (c) of § 1.56 involving possible striking of an application where signed or sworn to in blank, or without actual review by the applicant, or where altered or partly filled in after being signed or sworn to.

This Chapter treats rejecting by the Office under § 1.56(d) of an application where it is established that a "fraud" has been practiced or attempted to be practiced on the Office or where there has been any "violation of the duty of disclosure" through bad faith or gross negligence. The standard of proof required to establish "fraud" ◊, "inequitable conduct"◊ or "violation of duty of disclosure" is treated in this chapter. In addition, some aids to attorneys and agents for helping ensure compliance with the duty of disclosure are presented herein.

This Chapter covers examiner handling, including referral to the Office of the Assistant Commissioner for Patents, of applications containing information or allegations raising possible questions of "fraud", "inequitable conduct", or "violation of duty of disclosure." Sections are provided setting forth the handling of applications containing such questions by the Office of the Assistant Commissioner for Patents.

The application of § 1.56 by the Office must be done on a case by case basis. It is not possible to set hard and fast policies which cover every situation. It is the intent of the Office to apply § 1.56 in a reasonable and fair manner carefully weighing the facts and, as much as possible, the intents and judgments of those bound by the duty of disclosure. Note In re Stockebrand 197 USPQ 857 (Comr. Pats. 1978); upheld in District Court for Mass; Digital Equipment Corp. v. Parker, 206 USPQ 428 (1980); and later reversed by Court of Appeals for First Circuit, Digital Equipment Corp. v. Diamond, 210 USPQ 521 (1981). Also see Kansas Jack, Inc. v. Kuhn, 219 USPQ 857, 861 (Fed. Cir. 1983):

"The fact finder must evaluate all of the facts and circumstances in each case."

And, Orthopedic Equipment Co. v. All Orthopedic Appliances, 217 USPQ 1281, 1287 (Fed. Cir. 1983):

"A holding of fraud or inequitable conduct requires support in the underlying facts."

The Court stated in J.P. Stevens & Co. v. Lex Tex, Ltd., 223 USPQ 1089, 1094 (Fed. Cir. 1984),

"Materiality and intent are factual issues subject to the clearly erroneous standard of review."

2001 Duty of Disclosure, Candor, and Good Faith [R-3]

37 CFR § 1.56. Duty of disclosure; fraud; striking or rejection of applications.

(a) A duty of candor and good faith toward the Patent and Trademark Office rests on the inventor, on each attorney or agent who prepares or prosecutes the application and on every other individual 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. All such individuals have a duty to disclose to the Office information they are aware of which is material to the examination of the application. Such information is material where there is a substantial likelihood that a reasonable examiner would consider it important in deciding whether to allow the application to issue as a patent. The duty is commensurate with the degree of involvement in the preparation or prosecution of the application.

(b) Disclosures pursuant to this section may be made to the Office through an attorney or agent having responsibility for the preparation or prosecution of the application or through an inventor who is acting in his own behalf. Disclosure to such an attorney, agent, or inventor shall satisfy the duty, with respect to the information disclosed, of any other individual. Such an attorney, agent, or inventor has no duty to transmit information which is not material to the examination of the application.

(c) Any application may be stricken from the files if:

(1) An oath or declaration pursuant to § 1.63 is signed in blank;

(2) An oath or declaration pursuant to § 1.63 is signed without review thereof by the person making the oath or declaration;

(3) An oath or declaration pursuant to § 1.63 is signed without review of the specification, including the claims, as required by § 1.63(b);

or

(4) The application papers filed in the Office are altered after the signing of an oath or declaration pursuant to § 1.63 referring to those application papers.

(d) 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 gross negligence. The claims in an application shall be rejected if upon examination pursuant to 35 U.S.C. 131 and 132, it is established by clear and convincing evidence (1) that any fraud was practiced or attempted on the Office in connection with the application, or in connection with any previous application upon which the application relies, or (2) that there was any violation of the duty of disclosure through bad faith or gross negligence in connection with the application, or in connection with any previous application upon which the application relies.

(e) The examination of an application for compliance with paragraph (d) of this section will normally be delayed until such time as (1) all other matters are resolved, or (2) appellant's reply brief pursuant to § 1.193(b) has been received and the application is otherwise prepared for consideration by the Board of Appeals, at which time the appeal will be suspended for examination pursuant to paragraph (d) of this section. The prosecution of the application will be reopened to the extent necessary to conduct the examination pursuant to paragraph (d) of this section including any appeal pursuant to § 1.191. If an appeal has already been filed based on a rejection on other grounds, any further rejection under this section shall be treated in accordance with § 1.193(c).

(f) Any member of the public may seek to have an application stricken from the files pursuant to paragraph (c) of this section by filing a timely petition to strike the application from the files. Any such timely petition and any accompanying papers will be entered in the application file if the petition and accompanying papers (1) specifically identify the application to which the petition is directed, and (2) are either served upon the applicant in accordance with § 1.248, or filed with the Office in duplicate in the event service is not possible. Any such petition filed by an attorney or agent must 16be in compliance with § 1.346.

(g) A petition to strike an application from the files submitted in accordance with the second sentence of paragraph (f) of this section will be considered by the Office. An acknowledgment of the entry of such a petition in a reissue application file will be sent to the member of the public filing the petition. A member of the public filing such a petition in an application for an original patent will not receive any communications from the Office relating to the petition, other than the return of a self-addressed postcard which the member of the public may include with the petition in order to receive an acknowledgement by the Office that the petition has been received. The Office will communicate with the applicant regarding any such petition entered in the application file and may require the applicant to respond to the Office on matters raised by the petition. The active participation of the member of the public filing a petition pursuant to paragraph (f) of this section ends with the filing of the petition and no further submission on behalf of the petitioner will be acknowledged or considered unless such submission raises new issues which could not have been earlier presented, and thereby constitutes a new petition.

(h) Any member of the public may seek to have the claims in an application rejected pursuant to paragraph (d) of this section by filing a timely protest in accordance with § 1.291. Any such protest filed by an attorney or agent must be in compliance with § 1.346.

(i) The Office may require applicant to supply information pursuant to paragraph (a) of this section in order for the Office to decide any issues relating to paragraphs (c) and (d) of this section which are raised by a petition or a protest, or are otherwise discovered by the Office.

37 CFR 1.56 defines the duty to disclose information to the Office and the criteria for rejecting an application when that duty is violated.

Subsection 1.56(a) provides that a duty of candor and good faith toward the Office rests on the inventor, on each attorney and agent who prepares or prosecutes the application and on every other individual

who is substantively involved in the application and is associated with the inventor or the inventor's assignee. Section 1.56 also provides that each such inventor, attorney, agent, and individual has a duty to disclose to the Office information they are aware of which is material to the examination of the application.

Section 1.56(b) describes how disclosures pursuant to § 1.56(a) may be made to the Office. Section 1.56(b) also points out that there is no need for disclosures of non-material information.

Section 1.56, as amended in 1977, represents a mere codification of the existing Office policy and is consistent with the prevailing case law in the federal courts.

The Court of Appeals in True Temper Corp. v. CF&I Steel Corp., 202 USPQ 412, 419 (10th Cir. 1979) noted

"that the fact that it was only on March 1, 1977 with the amendment of Patent Office Rule 56, that patent applicants were put under an express obligation by rule to disclose material information, is not dispositive as to plaintiff's duties as an applicant before that date. The amended rule merely represented a codification of existing case law on the obligation of applicants to disclose pertinent information or prior art, or face possible invalidation of the patent once issued. See Hazel-Atlas Glass Co v. Hartford-Empire Co., 322 U.S. 238, 61 USPQ 241 (Sup. Ct. 1944); Admiral Corp. v. Zenith Radio Corp., 296 F. 2d 708, 131 USPQ 456 (10th Cir. 1961)."

In Driscoll v. Cebalo, 221 USPQ 745, 750–751 (Fed. Cir. 1984), the Court citing True Temper concluded,

"the regulation [Section 1.56] essentially represents a codification of the 'clean hands' maxim as applied to patent applicants."

The Court noted in Argus Chemical Corp. v. Fibre Glass-Evercoat Co. Inc., 225 USPQ 1100, 1102 (Fed. Cir. 1985),

"In this appeal we lay to rest any further argument that in the past the standard for disclosure of known prior art only required that a reference which fully anticipated a patent, thereby destroying novelty under 35 U.S.C. 102, was required to be disclosed to the PTO under an applicant's duty of candor."

The Court of Appeals for the Federal Circuit stated in Kansas Jack, Inc. v. Kuhn, 219 USPQ 857, 862 (1983), when evaluating conduct occurring from 1967 to 1971,

"Where one who knew, or should have known, that a piece of prior art, or other information, would be material, i.e., important to the PTO in making its decision, a failure to disclose that art or information can be sufficient proof that a wrongful intent existed to mislead the PTO, and may result in a finding of what has come to be called fraud on the PTO."

See also U.S. Industries, Inc. v. Norton Co., 210 USPQ 94, 108, 110 (N.D. New York 1980); USM Corp. v. SPS Technologies, Inc., 211 USPQ 130, 131 (N.D. Illinois, E. Div. 1981).

The Court in Norton v. Curtiss, 433 F.2d 779, 167 USPQ 532, 544 (C.C.P.A. 1970) stated that

"[t]he ex parte prosecution and examination of a patent application must not be considered as an adversary proceeding and should not be limited to the standards required in inter partes proceedings."

Thus, the "highest degree of candor and good faith" is required of those participating in proceedings before the Office: Kingsland v. Dorsey, 338 U.S. 318, 83 USPQ 330 (Sup.Ct. 1949). An "uncompromising duty" rests on all who are parties to Office proceedings to report "all facts concerning possible fraud or inequitableness": Precision Instrument Manufacturing Co. v. Automotive Maintenance Machine Co., 324 U.S. 806, 65 USPQ 133 (1945).

1977 Rule Changes

The purpose of the rule changes in 1977, promulgated in the Federal Register Notice, 42 Fed. Reg. 5588 (Jan. 28, 1977), 955 O.G. 1054 (Feb. 22, 1977), was

"to improve the quality and reliability of issued patents."

The primary purpose of many of the provisions of the rules is to place prior art before the Patent and Trademark Office for evaluation. This was the principal focus of the now cancelled reissue provisions in § 1.175(a)(4), the protest provision in § 1.291, the duty of disclosure requirements in § 1.56, and the prior art statement provisions in §§ 1.97–1.99. Most patents that are invalidated by the courts are invalidated on the basis of prior art that was not before the Office during examination; see Koenig, "Patent Invalidity—A Statistical and Substantive Analysis," Clark Boardman Co., Ltd. (1976), Section 5.05(4). The presumption of validity is generally strong when prior art is before the Office, and weak when it is not; for example, see Bolkcom v. Carborundum Co., 523 F.2d 492, 498, 187 USPQ 466, 471, 472 (6th Cir. 1975); and John Deere Co. of Kansas City v. Graham. 333 F.2d 529, 530, 142 USPQ 243,244–245 (8th Cir. 1964), affirmed 383 U.S. 1, 148 USPQ 459 (1966).

Under § 1.175(a)(4) practice, the Board of Patent Appeals and Interferences would, where reissue applicant appealed an adverse decision by an Examiner on patentability of the claims as patented, render an advisory opinion as to the propriety of the examiner's rejections. The C.C.P.A. has, however, refused to review the Board's advisory opinions citing lack of jurisdiction by the C.C.P.A. to entertain such appeals: In re Dien, 214 USPQ 10, 14 (1982); In re Bose, 215 USPQ 1, 4 (1982).

1982 Rule Changes

The rule changes in 1982, promulgated in the Federal Register Notice, 47 Fed. Reg. 21746 (May 19, 1982), 1019 O.G. 37, April 6, 1982 (1) eliminated § 1.175(a)(4) and the so-called "no defect" reissue applications thereby discontinuing the advisory actions provided pursuant to subsection (a)(4); (2) amended § 1.291 by the addition of paragraph (c) indicating participation by a member of the public ends with the filing of a protest; and (3) amended §1.56 by revising the title and paragraph (d), and adding new paragraphs (e) through (i), to provide for the rejection of claims upon examination pursuant to 35 U.S.C. 131 and 132.

2001.01 Who Has Duty To Disclose

37 CFR 1.56(a) provides that the "duty of candor and good faith" and "to disclose" material information

"rests on the inventor, on each attorney or agent who prepares or prosecutes the application and on every other individual 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."

Individuals having a duty of disclosure are limited to those who are "substantively involved in the preparation or prosecution of the application." This is intended to make clear that the duty does not extend to typists, clerks, and similar personnel who assist with an application.

This phrase, when taken with the last sentence of § 1.56(a), is believed to provide an adequate indication of the individuals who are covered by the duty of disclosure. The word "with" appears in the first sentence of § 1.56(a) before "the assignee" and before "anyone to whom there is an obligation to assign" to make clear that the duty applies only to individuals, not to organizations. For instance, the duty of disclosure would not apply to a corporation or institution as such. However, it would apply to individuals within the corporation or institution who were substantively involved in the preparation or prosecution of the application, and actions by such individuals may affect the rights of the corporation or institution. Corporate records or information which is known to, or reasonably should be known to, the individuals covered by § 1.56(a) falls within the duty of disclosure. Other corporate records or information not known to the individuals covered by § 1.56(a) does not fall within the duty of disclosure, unless such records or information reasonably should have been known to such individuals. See "Duty of Reasonable Inquiry" in § 2001.02.

2001.02 Extent of Duty To Disclose [R-3]

37 CFR 1.56(a) provides,

"the duty is commensurate with the degree of involvement in the preparation or prosecution of the application."

Duty of Reasonable Inquiry

Case law supports that there exists a duty of reasonable inquiry. In Chas. Pfizer & Co. v. Federal Trade Commission, 159 USPQ 193, 199 (6th Cir. 1968), certiorari denied 161 USPQ 832 (1969), the Court stated,

"We agree with the Hearing Examiner that if Cyanamid's patent representative did not know the true facts, he was nevertheless under a duty to know them and under a duty to reveal the truth to the patent examiner."

The court, in Movidyn Corp. v. Hercules, Inc., 185 USPQ 116, 122 (D. Minn., 4th Div. 1975), stated its belief that

"where ignorance is the only excuse for a misrepresentation it is not a sufficient excuse if it appears from all the circumstances of the case that the party making the representation was fairly warned that it might not be true. Hercules failed in an affirmative duty to investigate further the representations it made to the Patent Office and in my opinion that failure would warrant a refusal to enforce the patent."

Similarly, in Chromalloy American Corp. v. Alloy Surfaces Co., 173 USPQ 295, 305 (D.Del. 1972) the Court held that

"if the oath signers had any difficulty in understanding it, they certainly had a duty to inquire into its meaning or to rely upon their attorneys and accept the consequences."

Likewise, in SCM Corp. v. Radio Corp. of America, 167 USPQ 196,206 (S.D.N.Y. 1970) the Court indicated,

"It was his [counsel's] duty to inform himself . . . . He could not avoid responsibility by trying not to 'see the details'."

The duty of disclosure extends to information that a person covered by section 1.56(a) "knew or should have known" would be material: Kansas Jack, Inc. v. Kuhn, 219 USPQ 857, 862 (Fed. Cir. 1983); In re Jerabek, 229 USPQ 530 (Fed. Cir. 1986).

As set forth in the promulgation of the Rules of Practice In Patent Cases, 42 Fed. Reg. 5588, 5589 (Jan. 28, 1977), 955 O.G. 1054 (Feb. 24, 1977) and as concurred with and stated by the Court in True Temper Corp. v. CF&I Steel Corp., 202 USPQ 412, 419 (10th Cir. 1979), § 1.56 as amended in 1977

"merely represented a codification of existing case law on the obligation of applicants to disclose pertinent information or prior art. . .".

Certainly the "duty of reasonable inquiry" such as represented by the above cited cases is an intergral part of and included in the duty of disclosure. For instance, if an applicant or applicant's attorney is aware of facts which indicate a reasonable possibility that a bar to patenting or information material to examination may exist, they are expected to make reasonable inquiries to ascertain such information and to submit such to the Office.

2001.03 To Whom Duty of Disclosure is Owed [R-3]

37 CFR § 1.56(a) states that the "duty of candor and good faith" is owed "toward the Patent and Trademark Office" and that all such individuals have a "duty to disclose to the Office" material information. This duty "toward" and "to" the Office extends, of course, to all dealings which such individuals have with the Office, and is not limited to representations to or dealings with the examiner. For example, the duty would extend to proceedings before the Board of * * * Patent Appeals and Interferences, the Office of the Assistant Commissioner for Patents, etc.

2001.04 Information Under 37 CFR 1.56(a)

Subsection 1.56(a) sets forth

"a duty to disclose . . . *information* they are aware of which is material to the examination of the application" (emphasis added).

The term "information" as used in § 1.56 means all of the kinds of information required to be disclosed and includes *any* information which is "material to the examination of the application." Materiality is defined in § 1.56(a) and discussed herein at § 2001.05. In addition

to prior art such as patents and publications, § 1.56 includes, for example, information on possible prior public uses, sales, offers to sell, derived knowledge, prior invention by another, inventorship conflicts, and the like.

The term "information" is intended to be all encompassing similar to the scope of the term as discussed with respect to § 1.291(a) (see § 1901.02). However, as discussed in § 2001.05, § 1.56(a) is not limited to information which would render the claims unpatentable, but extends to any information "where there is a substantial likelihood that a reasonable examiner would consider it important in deciding whether to allow the application to issue as a patent."

It should be noted that the rules are *not* intended to require information *favorable* to patentability such as, for example, evidence of commercial success of the invention. Similarly, the rules are not intended to require, for example, disclosure of information concerning the level of skill in the art for purposes of determining obviousness.

2001.05 Materiality Under 37 CFR 1.56(a) [R-3]

Subsection 1.56(a) provides,

"All such individuals have a duty to disclose to the office information they are aware of which is *material to the examination* of the application (emphasis added)."

"Material" connotes something more than a trivial relationship. It appears commonly in court opinions. Subsection 1.56(a) elucidates,

"Such information is material where there is a substantial likelihood that a reasonable examiner would consider it important in deciding whether to allow the application to issue as a patent."

This sentence paraphrases the definition of materiality used by the Supreme Court in TSC Industries v. Northway, 426 U.S. 438, 48 L.Ed. 2d 757,96 S. Ct. 2126, 44 U.S.L.W. 4852 (1976). Although in that case the court was concerned with rules promulgated by the Securities and Exchange Commission, the Court's articulation of materiality is believed consistent with the prevailing concept that has been applied by lower courts in patent cases.

The definition of materiality in § 1.56 has to be interpreted in the context of patent law rather than securities law. Principles followed by courts in securities cases should not be translated to patent cases automatically. It is noteworthy, however, that in formulating the definition of materiality in TSC Industries the Supreme Court noted that the standard of materiality should not be so low that persons would be "subjected to liability for insignificant omissions or misstatements," or so low that fear of liability would cause management "simply to bury the shareholder in an avalanche of trivial information a result that it is hardly conducive to informed decision making."

Although the third sentence of § 1.56(a) refers to decision of an examiner, the duty of disclosure applies in the same manner in the less common instances where the official making a decision on a patent application is someone other than an examiner, e.g., a member of the Board of Patent ▶Appeals and◀ Interferences * * *. This is implicit in the duty "of candor and good faith" toward the "Office" that is specified in the first sentence of § 1.56(a).

The Court in Norton v. Curtiss, 433 F.2d 779, 167 USPQ 532, 544 (C.C.P.A. 1970) characterized "materiality" as being of "critical concern;" and indicated,

"[I]n patent cases, materiality has generally been interpreted to mean that if the Patent Office had been aware of the complete or true facts, the challenged claims would not have been allowed."

However, the court then indicated at page 545 of the USPQ citation its concern that "materiality" not be defined too narrowly by stating that

"the above test cannot be applied too narrowly if the relationship of confidence and trust between applicants and the Patent Office is to have any real meaning. Findings of materiality should not be limited only to those situations where there can be no dispute that the true facts, or the complete facts, if they had been known, would most likely have prevented the allowance of the particular claims at issue or alternatively, would provide a basis for holding those claims invalid."

* * * * *

"It is our view that a proper interpretation of the "materiality" element of fraud in this context must include therein consideration of factors apart from the objective patentability of the claims at issue, particularly (where possible) the subjective considerations of the examiner and the applicant. Indications in the record that the claims at issue *would* not have been allowed but for the challenged misrepresentations must not be overlooked due to any certainty on the part of the reviewing tribunal that the claimed invention, viewed objectively, *should* have been patented. If it can be determined that the claims would *not* have been allowed *but for* the misrepresentation, then the facts were material regardless of their effect on the objective question of patentability."

Other courts have also treated the question of "materiality." Thus, in In re Multidistrict Litigation Involving Frost Patent, 185 USPQ 729, 741 (D.Del. 1975), the court characterized the question of "materiality " as follows:

"Some variation of the so-called "but for" test has appeared in nearly every patent fraud case.

* * * * *

"In other words, a finding of fraud is warranted if, but for the misconduct of the patent applicant, the patent would not properly have issued. This is what has been referred to as an "objective but for test".

* * * * *

"The second "but for" test is the so-called "subjective test". This test requires a court to examine the effect which fraudulent representations had upon the examiner. If misrepresentations caused the examiner to issue the patent, then this kind of "but for fraud" will be found.

* * * * *

"The final "but for" test has been labeled "the but it may have" test, i.e., courts look to whether the misrepresentations made in the course of the patent prosecution may have had an effect on the examiner.

* * * * *

"Hence, in this Circuit, a misrepresentation which makes it "impossible for the Patent Office fairly to assess [the] application in the prevailling statutory criteria . . . will, given the requisite intent, lead to a finding of invalidity."

Citing Digital Equipment Co. v. Diamond, 653 F.2d 701, 210 USPQ 521 (1st Cir. 1981), the Court of

Appeals for the Federal Circuit in American Hoist & Derrick Co. v. Sowa & Sons, Inc. ▶220 USPQ 763, 773 (Fed. Cir. 1984)◀ * * * stated,

"PTO Rule 1.56(a), explains materiality. * * *

The PTO 'standard' is an appropriate starting point for any discussion of materiality, for it appears to be the broadest, thus encompassing the others, and because that matoriality boundary most closely aligns with how one ought to conduct business with the PTO. There is no reason, however, to be bound by any single standard, for the answer to any inquiry into fraud in the PTO does not begin and end with materiality, nor can materiality be said to be unconnected to other considerations:

Questions of 'materiality' and 'culpability' are often interrelated and intertwined, so that a lesser showing of the materiality of the withheld information may suffice when an intentional scheme to defraud is established, whereas a greater showing of the materiality of withheld information would necessarily create an inference that its nondisclosure was 'wrongful.' (Digital Equipment Corp. v. Diamond, supra at 716, 210 USPQ at 538.)."

The Patent and Trademark Office "standard" set forth in 17 CFR 1.56, as amended in 1977, "merely represented a codification of existing case law on the obligation of applicants to disclose pertinent information or prior art": True Temper Corp. v. CF&I Steel Corp., 202 USPQ 412, 419 (10th Cir. 1979). ▶Note J.P. Stevens & Co. v. Lex Tex, Ltd., 223 USPQ 1089, at 1092 (Fed. Cir. 1984); In re Jerabek, 229 USPQ 530 (Fed. Cir. 1986)◀

The Court of Appeals for the Federal Circuit noted in Rohm & Haas Co. v. Crystal Chemical Co., * * *▶722 F.2d 1556, 220 USPQ 289, 300 (Fed. Cir. 1983), cert. denied, 105 S. Ct. 172 (1984)◀, that

"[i]n contrast to cases where allegations of fraud are based on the withholding of prior art, there is no room to argue that submission of false affidavits is not material."

2001.06 Sources of Information

All individuals covered by §1.56 (see § 2001.01) have a duty to disclose to the Patent and Trademark Office all material information they are *aware* of, or reasonably should have been aware of (see § 200.02), regardless of the source of or how they become aware of the information. Materiality controls whether information must be disclosed to the Office, not the circumstances under which or the source from which the information is obtained. If material, the information must be disclosed to the Office. The duty to disclose material information extends to information such individuals are aware of prior to or at the time of filing the application or become aware of during the prosecution thereof.

Such individuals may be or become aware of material information from various sources such as, for example, co-workers, tradeshows, communications from or with competitors, potential infringers or other third parties, related foreign applications (see § 2001.06(a)), prior or copending United States patent applications (see § 2001.06(b)), related litigation (see § 2001.06(c)) and preliminary examination searches.

2001.06(a) Prior Art Cited in Related Foreign Applications

Applicants and other individuals, as set forth in § 1.56, have a duty to bring to the attention of the Office any material prior art or other information cited or brought to their attention in any related foreign application. The inference that such prior art or other information is material is especially strong where it is the only prior art cited or where it has been used in rejecting the same or similar claims in the foreign application. See Gemveto Jewelry Company, Inc. v. Lambert Bros., Inc., 216 USPQ 976 (S.D. New York 1982) wherein a patent was held invalid or unenforceable because patentee's foreign counsel did not disclose to patentee's United States counsel or to the Office prior art cited by the Dutch Patent Office in connection with the patentee's corresponding Dutch application. The Court stated, at 216 USPQ 985,

"Foreign patent attorneys representing applicants for U.S. patents through local correspondent firms surely must be held to the same standards of conduct which apply to their American counterparts; a double standard of accountability would allow foreign attorneys and their clients to escape responsibility for fraud or inequitable conduct merely by withholding from the local correspondent information unfavorable to patentability and claiming ignorance of United States disclosure requirements."

2001.06(b) Information Relating to or From Copending United States Patent Applications

The individuals covered by 37 CFR 1.56(a) have a duty to bring to the attention of the examiner, or other Office official involved with the examination of a particular application, information within their knowledge as to other copending United States applications which are "material to the examination" of the application in question. As set forth by the court in Armour & Co. v. Swift & Co., 175 USPQ 70, 79 (7th Cir. 1972),

"we think that it is unfair to the busy examiner, no matter how diligent and well informed he may be, to assume that he retains details of every pending file in his mind when he is reviewing a particular application . . . [T]he applicant has the burden of presenting the examiner with a complete and accurate record to support the allowance of letters patent."

See, also § 2004 at No. 8.

Accordingly, the individuals covered by § 1.56(a) cannot assume that the examiner of a particular application is necessarily aware of other applications "material to the examination" of the application in question, but must instead bring such other applications to the attention of the examiner. For example, if a particular inventor has different applications pending in which similar subject matter but patentably indistinct claims are present that fact must be disclosed to the examiner of each of the involved applications. Similarly, the prior art references from one application must be made of record in another subsequent application if such prior art references are "material to the examination" of the subsequent application.

Normally if the application under examination is identified as a continuation or continuation-in-part of an earlier application the examiner will consider the prior art cited in the earlier application. The examiner must indicate in the first Office action whether the prior art in a related earlier application has been re-

viewed. Accordingly, no separate citation of the same prior art need be made in the later application.

2001.06(c) Information From Related Litigation [R-3]

Where the subject matter for which a patent is being sought is, or has been involved in litigation, the existence of such litigation and any other material information arising therefrom must be brought to the attention of the Patent and Trademark Office; such as, for example, evidence of possible prior public use or sales, questions of inventorship, prior art, allegations of "fraud" ◆, "inequitable conduct"◆ or "violation of duty of disclosure". Such information might arise during litigation in, for example, pleadings, admissions, discovery including interrogatories, depositions and other documents, and testimony.

Where a patent for which reissue is being sought is, or has been, involved in litigation which raised a question material to examination of the reissue application, such as the validity of the patent, or any allegation of "fraud" ◆, "inequitable conduct"◆ or "violation of duty of disclosure", the existence of such litigation must be brought to the attention of the Office by the applicant at the time of, or shortly after, filing the application, either in the reissue oath or declaration, or in a separate paper, preferably accompanying the application, as filed. Litigation begun after filing of the reissue application should be promptly brought to the attention of the Office. The details and documents from the litigation, insofar as they are "material to the examination" of the reissue application as defined in 37 CFR 1.56(a), should accompany the application as filed, or be submitted as promptly thereafter as possible.

For example, the defenses raised against validity of the patent, or charges of "fraud" or "inequitable conduct" in the litigation, would normally be "material to the examination" of the reissue application. It would, in most situations be appropriate to bring such defenses to the attention of the Office by filing in the reissue application a copy of the court papers raising such defenses. As a minimum, the applicant should call the attention of the Office to the litigation, the existence and the nature of any allegations relating to validity and/or "fraud" ◆or "inequitable conduct"◆ relating to the original patent, and the nature of litigation materials relating to these issues. Enough information should be submitted to clearly inform the Office of the nature of these issues so that the Office can intelligently evaluate the need for asking for further materials in the litigation. See § 1442.04.

◆2001.06(d) Information Relating to Claims Copied from a Patent [R-3]

Where claims are copied or substantially copied from a patent, 37 CFR 1.607(c) requires applicant shall, at the time he or she presents the claims(s), identify the patent and the numbers of the patent claims. Failure to comply with 37 CFR 1.607(c) may result in the issuance of a requirement for information as to why an identification of the source of the copied claims was not made, and it may be necessary to take further action such as rejecting the application pursuant to 37 CFR 1.56(d). Clearly, the information required by 37 CFR 1.607(c) as to the source of copied claims is material information under 37 CFR 1.56(a) and failure to inform the PTO of such information may violate the duty of disclosure.◆

2002 Disclosure—By Whom and How Made

37 CFR 1.56(b) provides,

> Disclosures pursuant to this section may be made to the Office through an attorney or agent having responsibility for the preparation or prosecution of the application or through an inventor who is acting in his own behalf. Disclosure to such an attorney, agent, or inventor shall satisfy the duty, with respect to the information disclosed, of any other individual. Such an attorney, agent, or inventor has no duty to transmit information which is not material to the examination of the application.

2002.01 By Whom Made

37 CFR 1.56(b) makes clear that information may be disclosed to the Office through an attorney or agent of record or through a pro se inventor, and that other individuals may satisfy their duty of disclosure to the Office by disclosing information to such an attorney, agent, or inventor who then is responsible for disclosing the same to the Office. Information that is not material need not be passed along to the Office.

2002.02 Must be in Writing

It is clear that the "disclosures . . to the Office" under 37 CFR 1.56 must be in writing as prescribed by 37 CFR 1.2 which requires that

> [a]ll business with the Patent and Trademark Office should be transacted in writing. * * * The action of the . . . Office will be based exclusively on the written record in the Office.

Further, as provided in 37 CFR 1.4(b),

> Since each application file should be complete in itself, a separate copy of every paper to be filed in an application should be furnished for each application to which the paper pertains, even though the contents of the papers filed in two or more applications may be identical.

2002.03 Information Disclosure Statement

As stated in 37 CFR 1.97(a),

> As a means of complying with the duty of disclosure set forth in § 1.56, applicants are encouraged to file an information disclosure statement at the time of filing the application or within the later of three months after the filing date of the application or two months after applicant receives the filing receipt. If filed separately, the disclosure statement should, in addition to the identification of the application, include the Group Art Unit to which the application is assigned as indicated on the filing receipt. The disclosure statement may either be separate from the specification or may be incorporated therein.

While information disclosure statements are a preferred and one of the safest ways to comply with the duty of disclosure, it is not necessarily essential to file information disclosure statements under 37 CFR 1.97–1.99 to comply with the duty of disclosure in 37 CFR 1.56.

For example, not commenting on the relevance of information submitted, or not including a copy of the document cited, will not necessarily constitute a fail-

ure to comply with the duty of disclosure. However, failure to comply with the duty of disclosure could result from non-submission of a copy of a document, especially a foreign patent or literature item, which might be difficult for the examiner to readily obtain. Similarly, non-identification of an especially relevant passage buried in an otherwise less or non-relevant text could result in a holding of "violation of duty of disclosure;" see, for example, Penn Yan Boats, Inc. v. Sea Lark Boats, Inc., 359 F. Supp. 948, 175 USPQ 260 (S.D. Fla. 1972), affirmed 479 F.2d 1338, 178 USPQ 577 (5th Cir. 1973), certiorari denied 414 U.S. 874 (1974).

37 CFR 1.97(b) provides

(b) A disclosure statement filed in accordance with paragraph (a) of this section shall not be construed as a representation that a search has been made or that no other material information as defined in § 1.56(a) exists.

STATEMENTS NOT LIMITED TO DOCUMENTS

Information disclosure statements are, of course, not limited to documents such as patents and publications. As provided in § 1.98(a) information disclosure statements may be used to bring "other information" to the attention of the Office.

2002.03(a) Updating of Information Disclosure Statement [R-3]

Section 1.99 provides that if at anytime prior to issuance of a patent, an applicant, pursuant to his duty of disclosure under § 1.56, wishes to bring to the attention of the Office additional patents, publications or other information not previously submitted, the additional information should be submitted with reasonable promptness. For example, applicants have a duty of bringing to the attention of the Office any material prior art or other information they become aware of from related United States applications, related foreign applications, related litigation (see § 2001.06 (a), (b), & (c)), or which is otherwise brought to their attention. Applicants should keep the Office advised of the status of any related litigation. ▶Note section 2003.◀

2002.04 Foreign Patents and Publications

Applicants should be aware that where the information being called to the Office's attention is a foreign patent or a publication, the relevance of such information may not be readily apparent or a copy readily available. It may be highly desirable if not necessary in some cases, in order to ensure compliance with the duty of disclosure and consideration of the information by the Office, to provide any translation available or explain the relevance of the art or provide a copy of the document.

2003 Disclosure—When Made [R-3]

37 CFR 1.56 provides

All such individuals have a duty to disclose to the Office information they are aware of. . . .

As set forth in 37 CFR 1.97

applicants are encouraged to file an information disclosure statement at the time of filing the application or within the later of three months after the filing date of the application or two months after applicant receives the filing receipt.

In reissue applications, applicants are encouraged to file such statements at the time of filing or within two months of filing, since reissue applications are taken up "special": see §§ 1442 and 1442.03. However, in a reissue where waiver of the normal two month delay period of § 1.176 is being requested (see § 1441), the statement should be filed at the time of filing the application, or as soon thereafter as possible.

Clearly the "duty to disclose" "information they are aware of" implies that such disclosure should be made reasonably soon after they become aware of the information, e.g., prior to the first Office action or with the response to an action if the information is discovered during the period for response thereto. Although the duty of disclosure is expected to be fulfilled promptly, the Court of Appeals for the Federal Circuit has held that it is possible in certain limited circumstances, while an application is pending, to correct an initial misrepresentation of facts in an affidavit: Rohm & Haas Co. v. Crystal Chemical Co., ▶722 F.2d 1556, 220 USPQ 289, 301 (Fed. Cir. 1983), cert. denied, 105 S. Ct. 172 (1984)◀. * * *

By submitting the information early in the examination process, i.e., before the Office acts on the application if possible, the submitting party ensures that the information will be considered by the Office in its determination of the patentability of the application. The presumption of validity is generally strong when prior art was before and considered by the Office and weak when it was not: Bolkcom v. Carborundum Co., 523 F.2d 492, 498, 186 USPQ 466, 471, 472 (6th Cir. 1975).

37 CFR 1.99 provides that where

an applicant, pursuant to his or her duty of disclosure under § 1.56, wishes to bring to the attention of the Office additional . . . information not previously submitted, the additional information should be submitted . . . with *reasonable promptness* (emphasis added).

See § 2002.03(a)

2003.01 Disclosure After Patent Is Granted

BY CITATIONS OF PRIOR ART UNDER § 1.501

Where a patentee or any member of the public (including private persons, corporate entities, and government agencies) has prior patents or printed publications which the patentee or member of the public desires to have made of record in the patent file, patentee or such member of the public may file a citation of such prior art with the Patent and Trademark Office pursuant to § 1.501. Such citations and papers will be entered without comment by the Office. The Office does not of course consider the citation and papers but merely places them of record in the patent file. Information which may be filed under § 1.501 is limited to prior art patents and printed publications. Any citations which include items other than patents and printed publications will not be entered in the patent file. See §§ 2202–2206.

BY REEXAMINATION

Where any person, including patentee, has prior art patents and/or printed publications which said person desires to have the Patent and Trademark Office consider after a patent has issued, such person may file a Request for Reexamination of the patent (see 37 CFR 1.510 and §§ 2209-2220).

2004 Aids to Compliance With Duty of Disclosure [R-3]

While it is not appropriate to attempt to set forth procedures by which attorneys, agents, and other individuals may ensure compliance with the duty of disclosure, the items listed below are offered as examples of possible procedures which could help avoid problems with the duty of disclosure. Though compliance with these procedures may not be required, they are presented as helpful suggestions for avoiding duty of disclosure problems.

1. Many attorneys, both corporate and private, are using letters and questionnaires for applicants and others involved with the filing and prosecution of the application and checklists for themselves and applicants to ensure compliance with the duty of disclosure. The letter generally explains the duty of disclosure and what it means to the inventor and assignee. The questionnaire asks the inventor and assignee questions about

—the origin of the invention and its point of departure from what was previously known and in the prior art,
—possible public uses and sales,
—prior publication, knowledge, patents, foreign patents, etc.

The checklist is used by the attorney to ensure that the applicant has been informed of the duty of disclosure and that the attorney has inquired of and cited material prior art.

The use of these types of aids would appear to be most helpful, though not required, in identifying prior art and may well help the attorney and the client avoid or more easily explain a potentially embarrassing and harmful "fraud" allegation.

2. It is desirable to ask questions about inventorship. Who is the proper inventor? Are there disputes or possible disputes about inventorship? If there are questions, call them to the attention of the Patent and Trademark Office.

3. It is desirable to ask questions of the inventor about the disclosure of the best mode. Make sure that the best mode is described. The disclosure of the best mode may be raised in litigation. See for example, Carlson "The Best Mode Disclosure Requirement in Patent Practice," Vol. 60, Journal of the Patent Office Society, page 171 (1978).

4. It is desirable for an attorney or agent to make certain that the inventor, especially a foreign inventor, recognizes his or her responsibilities in signing the oath or declaration. Note that 37 CFR 1.69 requires that,

(a) Whenever an individual making an oath or declaration cannot understand English, the oath or declaration must be in a language that such individual can understand and shall state that such individual understands the content of any documents to which the oath or declaration relates.

Note § 602.06 for a more detailed discussion.

5. It is desirable for an attorney or agent to carefully evaluate and explain to the applicant and others involved the scope of the claims, particularly the broadest claims. Ask specific questions about possible prior art which might be material in reference to the broadest claim or claims. There is some tendency to mistakenly evaluate prior art in the light of the gist of what is regarded as the invention or narrower interpretations of the claims, rather than measuring the art against the broadest claim with all of its reasonable interpretations. It is desirable to pick out the broadest claim or claims and measure the materiality of prior art against a reasonably broad interpretation of these claims.

6. It may be useful to evaluate the materiality of prior art or other information from the viewpoint whether it is the closest prior art or other information. This will tend to put the prior art or other information in better perspective. However, § 1.56 may still require the submission of prior art or other information which is not as close as that of the record.

7. Care should be taken to see that prior art or other information cited in a specification or in an information disclosure statement is properly described and that the information is not incorrectly or incompletely characterized. It is particularly important for an attorney or agent to review, before filing, an application which was prepared by someone else, e.g., a foreign application. It is also important that an attorney or agent make sure that foreign clients, including foreign applicants, attorneys, and agents understand the requirements of the duty of disclosure, and that the U.S. attorney or agent review any information disclosure statements or citations to ensure that compliance with § 1.56 is present. See Gemveto Jewelry Company, Inc. v. Lambert Bros., Inc., 216 USPQ 976 (S.D. New York 1982) wherein a patent was held invalid or unenforceable because patentee's foreign counsel did not disclose to patentee's United States counsel or to the Office prior art cited by the Dutch Patent Office in connection with the patentee's corresponding Dutch application. The Court stated, at 216 USPQ 985,

Foreign patent attorneys representing applicants for U.S. patents through local correspondent firms surely must be held to the same standards of conduct which apply to their American counterparts; a double standard of accountability would allow foreign attorneys and their clients to escape responsibility for fraud or inequitable conduct merely by withholding from the local correspondent information unfavorable to patentability and claiming ignorance of United States disclosure requirements.

8. Care should be taken to see that inaccurate statements or inaccurate experiments are not introduced into the specification, either inadvertently or intentionally. For example, stating that an experiment "was run" or "was conducted" when in fact the experiment was not run or conducted is a misrepresentation of the facts. No results should be represented as actual

results unless they have actually been achieved. Paper examples should not be described using the past tense. See §§ 608.01(p) item D and 707.07(l). Also, misrepresentations can occur when experiments which were run or conducted are inaccurately reported in the specification, e.g. an experiment is changed by leaving out one or more ingredients. See *Steierman* v. *Connelly*, 192 USPQ 433 (PTO Bd. of Pat. Int. 1975); 192 USPQ 446 (PTO Bd. of Pat. Int. 1976).

9. Do not rely upon the examiner of a particular application to be aware of other applications belonging to the same applicant or assignee. It is desirable to call such applications to the attention of the examiner even if there is only a question that they might be "material to the examination" of the application the examiner is considering. It is desirable to be particularly careful that prior art or other information in one application is cited to the examiner in other applications to which it would be material. Do not assume that an examiner will necessarily remember, when examining a particular application, other applications which the examiner is examining, or has examined. See Armour & Co. v. Swift & Co., 175 USPQ 70, 79 (7th Cir. 1972) ◆; Kangaroos U.S.A., Inc. v. Caldor, Inc., 222 USPQ 703, 708, 713-714 (S.D.N.Y. 1984).

While vacating the summary judgement and remanding for trial in Kangaroos, the Court, 228 USPQ 32 (Fed. Cir. 1985), stated at page 35 that a "lapse on the part of the examiner does *not* excuse applicant."◆

10. When in doubt, it is desirable and safest to submit information. Even though the attorney, agent, or applicant doesn't consider it necessarily material, someone else may see it differently and embarassing questions can be avoided. The court in U.S. Industries v. Norton Co., 210 USPQ 94, 107 (N.D. N.Y. 1980) stated "In short, the question of relevancy in close cases, should be left to the examiner and not the applicant."

11. It may be desirable to submit information about prior uses and sales even if it appears that they may have been experimental, not involve the specifically claimed invention, or not encompass a completed invention. ◆Note Hycor Corp. v. The Schleuter Co., 740 F.2d 1529, 222 USPQ 553, 557-559 (Fed. Cir. 1984)◆

12. Submit information promptly. An applicant, attorney or agent who is aware of prior art or other information and its significance should submit same early in prosecution, e.g., before the first action by the examiner, and not wait until after allowance. ◆Potentially material information discovered late in the prosecution should be immediately submitted. That the issue fee has been paid is no reason or excuse for failing to submit information. See Elmwood Liquid Products, Inc. v. Singleton Packing Corp., 170 USPQ 398 (M.D. Fla., Tampa Div. 1971).◆

13. It is desirable to avoid the submission of long lists of documents if it can be avoided. Eliminate clearly irrelevant and marginally pertinent cumulative information. If a long list is submitted, highlight those documents which ◆have been specifically brought to applicant's attention and/or◆ are known to be of most significance. Note Penn Yan Boats, Inc. v. Sea Lark Boats, Inc. 359 F. Supp. 948, 175 USPQ 260 (S.D. Fla. 1972), affirmed, 479 F.2d. 1338, 178 USPQ 577 (5th Cir. 1973), certiorari denied 414 U.S. 874 (1974).

14. Watch out for continuation-in-part applications where intervening material information or documents may exist; particularly watch out for foreign patents and publications related to the parent application and dated more than one year before the filing date of the CIP. These and other intervening documents may be material information: In re Ruscetta and Jenny, 118 USPQ 101, 104 (C.C.P.A. 1958); In re von Lagenhoven, 458 F.2d. 132, 173 USPQ 426 (C.C.P.A. 1972); Chromalloy American Corp. v. Alloy Surfaces Co., Inc., 339 F. Supp. 859, 173 USPQ 295 (D. Del. 1972).

15. Watch out for information that might be deemed to be prior art under Section 102(f) and (g).

Section 102(f) of Title 35 United States Code may be combined with Section 103; see Corning Glass Works v. Schuyler, 169 USPQ 193 (D.D.C. 1971), aff'd in Corning Glass Works v. Brenner, 175 USPQ 516, (D.C. Cir. 1975) where the District Court adopted defendant's post trial memorandum on 102(f) and 103; Halliburton v. Dow Chemical, 182 USPQ 178, 186 (N.D.Okla. 1974); Dale Electronics v. R.C.L. Electronics, 180 USPQ 225 (1st Cir. 1973) and, Exparte Andresen, 212 USPQ 100 (Bd. App. 1981).

Note also that prior invention under § 102(g), may be combined with Section 103, such as in In re Bass, 474 F.2d 1276, 177 USPQ 178 (C.C.P.A. 1973).

◆Note 35 U.S.C. 103, second paragraph as amended by Public Law 98-622 disqualifies section 102(f)/103 or section 102(g)/103 prior art which was, at the time the second invention was made, owned by or subject to an obligation of assignment to, the person who owned the first invention: see 1050 O.G. 316.◆

16. Watch out for information picked up by the inventors and others at conventions, plant visits, inhouse reviews, etc.; see, for example, Dale Electronics, Inc. v. R.C.L. Electronics, Inc., 180 USPQ 225, 228 (1st Cir. 1973).

17. Make sure that all of the individuals who are subject to the duty of disclosure, such as spelled out in § 1.56 are informed of and fulfill their duty.

18. Finally, if information was specifically considered and discarded as not material, this fact might be recorded in an attorney's file or applicant's file, including the reason for discarding it. If judgment might have been bad or something might have been overlooked inadvertently, a note made at the time of evaluation might be an invaluable aid in explaining that the mistake was honest and excusable. Though such records are not required, they could be helpful in recalling and explaining actions in the event of a question of "fraud" ◆or "inequitable conduct"◆ raised at a later time.

2005 Alterations or Partly Filling in Applications After Execution [R-3]

Applications which have not been prepared and executed in accordance with the requirements of Title

35 of the United States Code and Title 37 of the Code of Federal Regulations may in appropriate circumstances, be stricken from the files as having been improperly executed and/or filed. Although the statute and the rules forbidding alteration after execution have been in existence for many years, the Office continues to receive a number of applications which have been improperly executed and/or filed. This problem appears particularly prevalent in foreign origin applications. For instance the practice of completing or improving the text of a translation of a foreign application (for filing in the U.S.) after execution is not permitted without re-execution. There is no reason for alterations or insertions after execution which are not drawn to new matter.

Effective February 27, 1983, Section 111 of Title 35, United States Code (amended August 27, 1982, Public Law 97-247, sec. 5, 96 Stat. 319) provides,

> Application for patent shall be made, or authorized to be made, by the inventor. . . . The fee and oath may be submitted after the specification and any required drawing. . . .

Thus, § 111 and 37 CFR 1.53 as amended provides time, where necessary, for applicants to execute the oath or declaration after reviewing and understanding the contents of the specification, including claims, as filed and as amended by any amendment specifically referred to in the oath or declaration, as required by 37 CFR 1.63. A preliminary amendment which does not introduce new matter may be used to make corrections after filing and it avoids any question as to what was properly in the application at the time of filing: See 37 CFR 1.118.

Prior to February 27, 1983 § 111 of Title 35, United States Code required that,

> [t]he application must be signed by the applicant. . . .

The same requirement appeared in now removed 37 CFR 1.57 which specified that the signature to the oath or declaration "will be accepted as the signature to the application provided the oath or declaration . . . is attached to and refers to the specification and claims to which it applies. Otherwise the signature must appear at the end of the specification after the claims."

The removal of § 1.57 does not remove, however, the prohibition found in § 1.56(c) against signing the oath or declaration (1) in blank; (2) without review of said oath or declaration; (3) without review of the specification, including the claims, as required by § 1.63(b); or against (4) altering the application papers filed after signing the oath or declaration. If an application is altered after execution of the oath or declaration, and because of time considerations the application must be filed before it can be resubmitted to applicants and a new oath or declaration signed, the application could be filed without an oath as provided in § 111 and the application as filed resubmitted to applications for their review and understanding as required by § 1.63 and a new oath or declaration properly executed and filed.

37 CFR 1.52 and 1.56 furnish notice to the public of the seriousness with which alternations of an application are considered by the Patent and Trademark Office. These rules, promulgated pursuant to §§ 6, 111 and 115 of Title 35, United States Code, have the force and effect of law: Norton v. Curtiss, 433 F.2d 779, 167 USPQ 532, 542 (C.C.P.A. 1970). 37 CFR 1.52(c) as amended effective February 27, 1983 provides,

> Any interlineation, erasure, or cancellation or other alteration of the application papers filed must be made before the signing of any accompanying oath or declaration pursuant to § 1.63 referring to those application papers and should be dated and initialed or signed by the applicant on the same sheet of paper. No such alterations in the application papers are permissible after the signing of an oath or declaration referring to those application papers (§ 1.56(c)). After the signing of the oath or declaration referring to the application papers, amendments may only be made in the manner provided by §§ 1.121 and 1.123-1.125.

37 CFR 1.56(c) as amended February 27, 1983 provides,

> (c) Any application may be stricken from the files if:
> (1) An oath or declaration pursuant to § 1.63 is signed in blank;
> (2) An oath or declaration pursuant to § 1.63 is signed without review thereof by the person making the oath or declaration;
> (3) An oath or declaration pursuant to § 1.63 is signed without review of the specification, including the claims, as required by § 1.63(b);
> or
> (4) The application papers filed in the Office are altered after the signing of an oath or declaration pursuant to § 1.63 referring to those application papers.

Section 1.56(c) is merely a restatement of portions of § 1.56 as it appeared prior to the 1977 rule change; see 42 Fed. Reg. 5588 (Jan. 28, 1977), 955 O.G. 1054 (Feb. 22, 1977).

It is therefore necessary that the application, including the oath or declaration, be executed in the form in which it is filed or intended to be filed since it is improper for anyone, including counsel, to complete or otherwise alter application papers, including the oath or declaration, after the applicant has executed the same. The application filed must be the application executed by the applicant and it is improper for anyone, including the attorney or agent, to alter, rewrite, or partly fill in any part of the application, including the oath or declaration, after execution by the applicant. Execution of an application with a copy of the drawings present, rather than the formal drawings, is permissible as long as the copy conforms to the formal drawings. This avoids the necessity for transmission, handling, and possible loss of, or damage to, the formal drawings. See In re Youmans, 142 USPQ 447 (Comr. Pats 1960).

The filing of an application which has been altered or partly filled in after being signed or sworn to is considered by the Office to constitute serious misconduct: Wainer v. Ervin, 122 USPQ 608 (Comr. Pats. 1959). The Commissioner, in refusing to reconsider a decision striking Wainer's application stated,

> "It is true the penalty of striking an application has not ordinarily been imposed in the case of an alteration in some minor detail which obviously does not affect the significance of the application. However, it is clear that one who alters an executed application and then improperly files it without resubmitting it to the inventor for reexecution may gain the advantage of an earlier filing date

over one who, finding changes are needed, takes the time to have the modified application signed and sworn to before filing. Thus, failure to strike an application found to have been altered to the extent the Wainer application was altered would tend to reward a party who violated the rules to the detriment of a party who complied with the provisions of the rules."

In determining whether or not an application is to be stricken it is necessary to consider all the circumstances surrounding the alteration, including the substantive nature and the "materiality of the change." Where the alterations involve substantial changes in language, in the absence of a clear and convincing demonstration that the changes are immaterial or harmless, they must be regarded as such as to require the application be stricken: Wainer v. Ervin, 121 USPQ 144 (Comr. Pats. 1959). In Vandenberg v. Reynolds, 122 USPQ 381, 383 (C.C.P.A. 1959) the court stated,

"It is the materiality of the change that should govern the Commissioner's exercise of discretion in striking applications from the files. Materiality is a question of law which must be decided on the facts. . . ."

In agreeing with the Commissioner's decision not to strike the application, the court also agreed with, and quoted, the Commissioner's opinion that

"[i]t should be emphasized, however, that while the materiality of an alteration of an application may determine whether or not an application should be stricken, *this consideration provides no standard of propriety for an attorney*" (emphasis added by Court).

The Court recommended "the obviously safe course of altering first and executing afterward."

2006 Applications Signed or Sworn to in Blank or Without Review

As stated in § 2005, applications which have not been executed in accordance with the requirements of Title 35 of the United States Code and Title 37 of the Code of Federal Regulations may in appropriate circumstances, be stricken from the files as having been improperly executed and/or filed. Prior to February 27, 1983 § 111 of Title 35, United States Code, required that the application must be signed by the applicant. The same requirement appeared in now removed 37 CFR 1.57 which specified that the signature to the oath or declaration would be accepted as the signature to the application provided the oath or declaration is attached to and refers to the specification and claims to which it applies. Otherwise the signature must appear at the end of the specification after the claims.

Prior to February 27, 1983, the application "signed by the applicant" was required to be a complete application and not simply an oath or declaration signed without remainder of the application. For example, applicant could not properly sign an oath or declaration and later associate it with a specification and/or claims without the specification also being signed. Applications filed on or after February 27, 1983, will receive a filing date on the filing in the name of the inventor(s) of (1) a specification containing a description pursuant to 37 CFR 1.71 and at least one claim pursuant to 37 CFR 1.75 and (2) any drawing required by 37 CFR 1.81(a) in the Patent and Trademark Office. An oath or declaration which identifies the application may be filed later within a set period with payment of the surcharge as set forth in 37 CFR 1.16(e). The later filed oath or declaration must identify the specification to which it is directed, and must be signed after review of the specification, or an exact copy thereof, including the claims, as filed.

37 CFR 1.56(c) provides;

Any application may be stricken from the files if:

(1) An oath or declaration pursuant to § 1.63 is signed in blank;

(2) An oath or declaration pursuant to § 1.63 is signed without review thereof by the person making the oath or declaration;

(3) An oath or declaration pursuant to § 1.63 is signed without review of the specification, including the claims, as required by § 1.63(b); or

(4) The application papers filed in the Office are altered after the signing of an oath or declaration pursuant to § 1.63 referring to those application papers.

* * * * *

Under 35 U.S.C. 111 in effect after February 27, 1983, applicants still cannot execute an oath or declaration attached to, or associated with, a foreign language application and later file such oath or declaration attached to, or associated with, an English-language application which has not been executed. Applicant can, where appropriate, utilize the procedure set forth in § 608.01 for foreign language application.

As indicated, such applications "may be stricken from the files." Thus, this section provides that striking of the application is discretionary if there is no "fraud" present. Whether such applications will in fact be stricken will depend upon all the circumstances involved. However, the Office considers this very serious misconduct. An oath or declaration signed or sworn to in blank, or without actual review of the oath or declaration and specification by the applicant clearly lacks compliance with 35 U.S.C. §§ 111 and 115. Such an application would obviously not comply with the requirements of 35 U.S.C. 111 of "an oath by the applicant as prescribed by section 115 of this title." In view of the lack of statutory compliance, no reason would exist for not striking an application.

2006.01 International Applications Filed Under the Patent Cooperation Treaty

The provisions of 35 U.S.C. 363 for filing an international application under the Patent Cooperation Treaty (PCT) which designates the United States of America, and thereby has the effect of a regularly filed United States national application except as provided in 35 U.S.C. 102(e), are somewhat different than the provisions of 35 U.S.C. 111. Under 35 U.S.C. 363 and PCT Article 11(1), the signature of the inventor is not required to obtain a filing date but must be submitted later. The oath or declaration requirements for an international application before the Patent and Trademark Office are set forth in 35 U.S.C. 371(c)(4) and 37 CFR 1.70. See Chapter 1800.

2010 Fraud; Inequitable Conduct Equivalent to Fraud [R-3]

INTRODUCTION

The subject of "fraud" on the Patent and Trademark Office (PTO), or "inequitable conduct" in proceedings before the Office, has been increasing in importance in recent years. This is directly attributable to the increasing concern of the courts about the relationship between applicants for patent and the Patent and Trademark Office. In view of this concern, and the importance of the subject, it is appropriate that the Office attempt to define, insofar as possible, its substantive policy in this area. This policy is, of course, subject to change, particularly as new court decisions change the substantive law.

37 CFR 1.56, as amended in 1977, represented a mere codificaton of the existing Office policy on fraud and inequitable conduct, which is consistent with the prevailing case law in the federal courts. The expanded wording of § 1.56 was intended to be helpful to individuals who are not expert in the judically developed doctrines concerning fraud. The section should have a stabilizing effect on future decisions in the Office and may afford guidance to courts as well: 42 Fed. Reg. 5588, 5589 (Jan. 28, 1977). 955 O.G. 1054 (Feb. 22, 1977). Note True Temper Corp. v. CF&I Steel Corp., 202 USPQ 412, 419 (10th Cir. 1979); U.S. Industries, Inc. v. Norton Co., 210 USPQ 94, 108, 110 (N.D. New York 1980); U.S.M. Corp. v. SPS Technologies, Inc., 211 USPQ 130, 131 (N.D. Illinois, E. Div. 1981). Also, Kansas Jack, Inc. v. Kuhn, 219 USPQ 857, 862 (Fed. Cir. 1983); and Driscoll v. Cebalo, 221 USPQ 745, 750–751 (Fed. Cir. 1984).

The following language has been extracted from the C.C.P.A. decision of Norton v. Curtiss, 433 F.2d 779, 167 USPQ 532, 543 (1970), because it reflects the theme of the recent court decisions and writings on the matter of fraud and inequitable conduct in patent prosecution:

"[T]he term (fraud) in rule 56 . . . refers to the very same types of conduct which the courts, in patent infringement suits, would hold fraudulent. . . . [T]raditionally the concept of "fraud" has most often been used by the courts, in general, to refer to a type of conduct so reprehensible that it could alone form the basis of an actionable wrong (e.g., the common law action for deceit). That narrow range of conduct, now frequently referred to as (technical) or (affirmative) fraud, is looked upon by the law as quite serious. Because severe penalties are usually meted out to the party found guilty of such conduct, technical fraud is generally held *not* to exist unless the following indispensable elements are found to be present: (1) a representation of a material fact, (2) the falsity of that representation, (3) the intent to deceive or, at least, a state of mind so reckless as to the consequence that it is held to be the equivalent of intent (scienter), (4) a justifiable reliance upon the misrepresentation by the party deceived which induces him to act thereon, and (5) injury to the party deceived as a result of his reliance on the misrepresentation.

"But the term 'fraud' is also commonly used to define that conduct which may be raised as a defense in an action at equity for enforcement of a specific obligation.

* * * * *

"We have noticed that unenforceability due to fraudulent procurement is a rather common defense. In such circumstances, we find that the courts are generally applying equitable principles in evaluating the charges of misconduct alleged to be fraudulent. Thus, in suits involving patents, today, the concept of 'fraud' on the Patent Office encompasses not only that which we have earlier termed 'technical' fraud, but also a wider range of 'inequitable conduct found to justify holding a patent unenforceable.

* * * * *

"[O]ne factor stands clear: the courts have become critical in their interpretation of the relationship existing between applicants for patent and the Patent Office and their scrutiny of the conduct of applicants in light of that relationship."

The Court of Appeals for the Federal Circuit in Kansas Jack, supra at 862, stated,

"Where one who knew, or should have known, that a piece of prior art, or other information, would be material, i.e., important to the PTO in making its decision, a failure to disclose that art or information can be sufficient proof that a wrongful intent existed to mislead the PTO, and may result in a finding of what has come to be called "fraud" on the PTO. The fact finder, however, must determine not only that the undisclosed art or information was material, but that the one charged with nondisclosure knew or should have known of its materiality at the time."

It is clear that "technical" fraud is grounds for invalidating a patent and for rejecting an application under 37 CFR 1.56. The Court of Appeals for the Federal Circuit, in American Hoist & Derrick Co. v. Sowa & Sons, Inc. * * *, 752 F.2d 1350, 220 USPQ 763 (Fed. Cir. 1984), cert. denied 105 S.Ct. 95, 224 USPQ 520 (1984), has noted that the term "technical fraud" has caused some confusion and that the Court "will attempt to couch future discussion . . . simply in terms of 'fraud' and 'no fraud'." Note J.P. Stevens & Co. v. Lex Tex, Ltd., 223 USPQ 1089, 1092–1093 (Fed. Cir. 1984).

2010.01 The Elements of "Technical" or "Affirmative" Fraud [R-3]

1. REPRESENTATION OF A MATERIAL FACT

See § 2001.05 for a definition of "Material."

2. FALSITY OF THE REPRESENTATION

Insofar as this element is concerned, the court in Norton v. Curtiss, 433 F.2d 779, 167 USPQ 532, 545 (C.C.P.A. 1970) indicated that

"Whether the representations made to the Patent Office, either expressly or impliedly, were false, is simply a question of fact, to be decided on the evidence submitted."

3. THE INTENT TO DECEIVE OR, AT LEAST, A STATE OF MIND SO RECKLESS AS TO THE CONSEQUENCES THAT IT IS HELD TO BE THE EQUIVALENT OF INTENT (SCIENTER)

The Norton Court, at 535, considered at length the question of "intent." Its language has been quoted extensively by other courts, e.g., In re Multidistrict Litigation Involving Frost Patent, 185 USPQ 729, 742 (D.Del. 1975), and thus bears repeating here:

"The state of mind of the one making the representations is probably the most important of the elements to be considered in determining the existence of fraud. Perhaps it is most of all in the traditional element of scienter that the existence of a fiduciary-like duty should have its effect. As we have already indicated, the procurement of a patent involves the public interest, not only in regard to

the subject matter of the patent grant, but also in the system under which that grant is obtained. Conduct in this area necessarily must be judged with that interest always taken into account and objective standards applied. Good faith and subjective intent, while they are to be considered, should not *necessarily* be made controlling. Under ordinary circumstances, the *fact* of misrepresentation coupled with proof that the party making it had knowledge of its falsity is enough to warrant drawing the inference that there was a fraudulent intent. Where public policy demands a complete and accurate disclosure it may suffice to show nothing more than that the misrepresentations were made in an atmosphere of gross negligence as to their truth."

This statement by the Norton Court is of critical importance insofar as the Office's consideration of "fraud" or "inequitable conduct" is concerned. As is apparent, direct evidence of "deceptive intent" is difficult to obtain. More often than not, a decision as to the presence or absence of " deceptive intent" has to be reached after review of all the circumstances. Thus, the criteria set forth above from Norton become extremely important. These are:

(a) The "inference that there was a fraudulent intent" is warranted when (1) the circumstances are ordinary; (2) the misrepresentation is made; and (3) there is proof that the party making the misrepresentation had knowledge of its falsity.

(b) Under circumstances where "public policy demands a complete and accurate disclosure it may suffice to show nothing more than that the misrepresentations were made in an atmosphere of gross negligence as to their truth."

Citing Norton, the Court of Appeals for the Federal Circuit stated in Kansas Jack, Inc. v. Kuhn, 219 USPQ 857, 861 (1983)

"The intent element of fraud, however, may be proven by a showing of acts the natural consequences of which are presumably intended by the actor. Statements made with gross negligence as to their truth may establish such intent. * * * The duty of candor owed the PTO being uncompromising, it would deal a deathblow to that duty if direct proof of wrongful intent were required."

The C.A.F.C., in In re Jerabek, 229 USPQ 530 (Fed. Cir. 1986), in sustaining a unanimous decision by the Board, held

"intent need not be proven by direct evidence. . . . [G]ross negligence is sufficient and can be shown where appellant's attorney knew or should have known that the withheld reference would have been material to the PTO's consideration."

The Court of Appeals for the Federal Circuit citing Kansas Jack stated in Rohm & Haas Co. v. Crystal Chemical Co., * * *722 F.2d 1556, 220 USPQ 289, 301 (Fed. Cir. 1983), cert. denied, 105 S.Ct. 172 (1984).

"While direct proof of intent to mislead is normally absent, such submissions [of false materials] usually will support the conclusion that the affidavit in which they were contained was the chosen instrument of an intentional scheme to deceive the PTO. In any event, proof of the actual state of mind * * * is not required."

Note also J.P. Stevens & Co. v. Lex Tex, Ltd., 223 USPQ 1089, 1092-1093 (Fed. Cir. 1984); Hycor Corp. v. Schletter Co., 222 USPQ 553, 561 (Fed. Cir. 1984).

In other courts similar results have been obtained using different language. Thus, in SCM Corp. v. Radio Corp. of America, 167 USPQ 196, 207 (S.D. N.Y. 1970) the Court found conduct "lacking in candor" and an "intentional nondisclosure of relevant data, which might have affected the outcome of the patent application."

In Monsanto Co. v. Rohm & Haas Co, 172 USPQ 323 (3rd Cir. 1972) the Court looked at the "totality of circumstances" in finding that there was an obligation "to disclose more information" than was disclosed.

4. Justifiable Reliance by the Office on the Misrepresentation

Whether or not the Office relied on the misrepresentation is usually a question of fact, as is the question of whether or not such reliance was "justifiable." Where the application is an application to reissue a patent, reliance may be demonstrated if the examiner issued the original patent relying partially or totally on the misrepresentation. In other circumstances, reliance may be demonstrated if, for example, the examiner withdrew a rejection or objection relying partially or totally on the misrepresentation.

5. Injury as a Result of Reliance on the Misrepresentation

This is perhaps the easiest element to establish in view of court opinions regarding "injury." The Supreme Court stated in Precision Instrument Mfg. v. Automotive Maintenance Machine Co., 324 U.S. 806, 65 USPQ 133, 138 (1945),

"A patent by its very nature is affected with a public interest. As recognized by the Constitution, it is a special privilege. . . . At the same time, a patent is an exception to the general rule against monopolies and to the right to access to a free and open market. The far-reaching social and economic consequences of a patent, therefore, give the public a paramount interest in seeing that patent monopolies spring from backgrounds free from fraud or other inequitable conduct and that such monopolies are kept within their legitimate scope. The facts . . . must accordingly be measured by both public and private standards of equity."

Based on its reading of the Supreme Court, the Norton court indicated, at 546,

"[W]here fraud is committed, injury to the public through a weakening of the Patent System is manifest."

2010.02 Inequitable Conduct; Unclean Hands [R-3]

It is clear that patents can be invalidated or held unenforceable and applications stricken or rejected based on equitable principles. While the term "inequitable conduct" was dropped from the proposed rule change in 1977 of § 1.56 "as covering too great a spectrum of conduct to be subject to mandatory striking," 42 Fed. Reg. 5588, 5590 (Jan. 28, 1977), inequitable conduct that is equivalent to fraud is intended to come within § 1.56. Section 1.56 covers inequitable conduct equivalent to fraud including conduct resulting from "bad faith or gross negligence," even though such conduct does not constitute "technical fraud". Prior to the 1977 changes the Court of Customs and Patent Appeals had already interpreted "fraud" in § 1.56 to encompass conduct of this sort: Norton v. Curtiss, 433 F.2d 779, 792, 167 USPQ 532, 543-544

(C.C.P.A.1970). Moreover, § 1.56(d), calls for rejecting an application either for fraud or for a violation of the duty of disclosure. As stated in Norton v. Curtiss, supra, at pages 543–544.

"But the term (fraud) is also commonly used to define that conduct with may be raised as a defense in an action at equity for enforcement of a specific obligation. In this context, it is evident that the concept takes on a whole new scope. Conduct constituting what has been called earlier "technical fraud" will, of course, always be recognized as a defense. However, in these situations, failure, for one reason or another, to satisfy all the elements of the technical offense often will not necessarily result in a holding of "no fraud". Rather the courts appear to look at the equities of the particular case and determine whether the conduct before them—which might have been admittedly less than fraudulent in the technical sense—was still so reprehensible as to justify the court's refusing to enforce the rights of the party guilty of such conduct. It might be said that in such instances the concept of fraud becomes intermingled with the equitable doctrine of "unclean hands". A court might still evaluate the evidence in light of the traditional elements of technical fraud, but will now include a broader range of conduct within each of those elements, giving consideration to the equities involved in the particular case."

"In suits for patent infringement, unenforceability, as well as noninfringement or invalidity under the patent laws, is a statutory defense. See 35 U.S.C. 282(1) . . . . (U)nenforceability due to fraudulent procurement is a rather common defense. In such cirumstances, . . . the courts are generally applying equitable principles in evaluating the charges of misconduct alleged to be fraudulent. Thus, in suits involving patents, today, the concept of "fraud" on the Patent Office (at least where a patentee's conduct pertaining to the relative merits of his invention is concerned), encompasses not only that which we have earlier termed "technical" fraud, but also a wider range of "inequitable" conduct found to justify holding a patent unenforceable. The courts differ as to the conduct they will recognize as being sufficiently reprehensible so as to carry with it the consequences of technical fraud."

Because of the nature of the relationship between the applicant and the Office, and the nature of the patent grant, applicants and others involved with preparation and prosecution of the application have a fiduciary relationship and duty toward the Office. Such individuals are held to exercising a high degree of "candor and good faith" in their dealings with the Office. As stated by the Norton Court,

"Nevertheless, one factor stands clear: the courts have become more critical in their interpretation of the relationship existing between applicants for patent and the Patent Office and their scrutiny of the conduct of applicants in light of that relationship. Not unlike those appearing before other administrative agencies, applicants before the Patent Office are being held to a relationship of confidence and trust to that agency. The indicated expansion of the concept of fraud manifests an attempt by the courts to make this relationship meaningful."

The courts have had considerable difficulty in evaluating the conduct of applicants before the Office to ascertain whether their dealings were such as to constitute "fraud", "violations of the duty of disclosure", or "inequitable conduct". In *J.P. Stevens & Co., Inc. v. Lex Tex Ltd., Inc.*, 747 F.2d 1553, 1559, 223 USPQ 1089, 1092–1093 (Fed. Cir. 1984), the Court adopted the terminology "inequitable conduct" to identify a breach of the duty of candor to the Patent and Trademark Office in order to make it clear that such malfeasance is to be distinguished from common law "fraud". As stated by the Court of Appeals in Digital Equipment Corp. v. Diamond, 210 USPQ 521, 538 (1st Cir. 1981), "Questions of 'materiality' and 'culpability' are often interrelated and interwined, so that a lesser showing of the materiality of withheld information may suffice when an intentional scheme to defraud is established, whereas a greater showing of the materiality of withheld information would necessarily create an inference that its nondisclosure was wrongful'." The Court of Appeals for the Federal Circuit in American Hoist & Derrick Co. v. Sowa & Sons, Inc., * * *220 USPQ 763, 773 (Fed. Cir 1984). In citing Digital Equipment Corp. v. Diamond with approval, the Court stated,

"The PTO 'standard' is an appropriate starting point for any discussion of materiality, for it appears to be the broadest, thus encompassing the others, and because that materiality boundary most closely aligns with how one ought to conduct business with the PTO."

The Patent and Trademark Office standard set forth in 37 CFR 1.56, as amended in 1977, "merely represented a codification of existing case law on the obligation of applicants to disclose pertinent information or prior art": True Temper Corp. v. CF&I Steel Corp., 202 USPQ 412, 419 (10th Cir. 1979). Most often, the question reduces itself to whether the applicant failed to disclose to the Office either facts or prior art known to the applicant, but not known to the examiner. The fact that such a duty-to-disclose exists has been emphasized in two Supreme Court Decisions: Precision Instrument Mfg. Co. v. Automotive Maintenance Machine Co., 324 U.S. 806, 65 USPQ 133 (1945); and Kingsland v. Dorsey, 338 U.S. 318, 83 USPQ 330 (1949).

Courts have held patents invalid or unenforceable because facts were not disclosed to the Office, even facts which ultimately may not have rendered the claims unpatentable or invalid; for example, see SCM Corp. v. Radio Corp. of America, 318 F. Supp. 433, 449, 167 USPQ 196, 207–208 (S.D. N.Y. 1970); prior art reference need not form the basis of a rejection in order to be material: In re Kaufman, 212 USPQ 23, 25 (Com'r. Pats. 1981); the "no harm, no foul" argument "is a myopic view of what is after all an equitable doctrine, the patent law equivalent of "unclean hands"; A.B. Dick Co. v. Burroughs Corp., 228 USPQ 65, 75 (N. D. Ill. 1975): Driscoll v. Cebalo, 221 USPQ 745, 750 (Fed. Cir. 1984). See, also, Duplan Corp. v. Deering Milliken, Inc., 197 USPQ 342, 414–415 (D.S.C. 1977). Both * * *the SCM and the Duplan Corp. decisions quoted as "law" the following statement:

"Even though misrepresentations made to the Patent Office are not legally material to the issuance of a patent, nevertheless, this court, being a court of equity, can and should refuse to enforce the patent if the Court finds the patentee made intentional misrepresentations to the patent examiner, i.e., if the patentee come into the court with unclean hands."

Corning Glass Works v. Anchor Hocking Glass Corp., 203 F. Supp. 461, 149 USPQ 99, 106–107 (D. Del. 1966) mod. other reasons, 153 USPQ 1 (3rd Cir. 1967).

2011 Exemplary Grounds Upon Which Findings of Fraud, Lack of Candor and Good Faith, and/or Violation of Duty of Disclosure Have Been Made [R-3]

While it is not appropriate to give an exhaustive list of grounds upon which findings of "fraud" or "inequitable conduct" have been based, a few exemplary grounds are presented below:

1. Nondisclosure of Evidence of Prior Public Use and Sale (35 U.S.C. 102(b))

A finding of "fraud" may be based on the nondisclosure of evidence of prior public use and/or sale. See, for example, Walker ◗Process Equipment◖, Inc. v. Food Machinery Co., 382 U.S. 172, 147 USPQ 404 (1965); Monolith Portland Midwest Company v. Kaiser Aluminum & Chemical Corp., 152 USPQ 380 (C.D. Calif. 1966, 1967), modified as to amount of attorney's fees at 160 USPQ 577 (9th Cir. 1969); United States v. Saf-T-Boom, 164 USPQ 283 (E.D. Ark., W. Div. 1970), affirmed per curiam at 167 USPQ 195 (8th Cir. 1970).

2. Nondisclosure of Anticipatory Prior Art (35 U.S.C. 102)

A finding of "fraud" may be based on the nondisclosure of 35 U.S.C. 102 prior art. See Beckman Instruments, Inc. v. Chemtronics, Inc., 165 USPQ 355 (5th Cir. 1970), certiorari denied, 168 USPQ 1 (1970); and the related decision on the reissue application, In re Clark, 187 USPQ 209 (C.C.P.A. 1975). As stated by the Court in Admiral Corp. v. Zenith Radio Corp., 131 USPQ 456 (10th Cir. 1961), at 462,

"[I]f an applicant knows of prior art which plainly described his claimed invention or comes so close that a reasonable man would say that the invention was not original but had been anticipated, he will not be excused for failure to disclose his knowledge."

Similarly, the court in In re Clark, 187 USPQ 209 (C.C.P.A. 1975) at 213, stated,

"[W]e do not agree that applicant could, under the state of the law in 1956 or now, amend claims expressly to avoid a Section 102 reference unknown to the examiner and justifiably consider there was no duty to bring that reference to the examiner's attention."

Other courts have rendered similar decisions, see, for example Penn Yan Boats, Inc. v. Sea Lark Boats, Inc., 175 USPQ 260 (S.D. Fla. 1972), affirmed 178 USPQ 577 (5th Cir. 1973), certiorari denied 414 US 874 (1974).

In Elmwood Liquid Products, Inc. v. Singleton Packing Corp., 170 USPQ 398 (M.D. Fla., Tampa Div. 1971), the Court held the patent "unenforceable" because of the failure to bring to the Offices's attention, an anticipatory reference obtained late in the prosecution of the U.S. application from counsel's foreign patent associate.

The Court of Appeals for the Federal Circuit in Orthopedic Equipment Co. v. All Orthopedic Appliances, 217 USPQ 1281, 1286 (1983) stated,

"Although inequitable conduct requires less stringent proofs as to both materiality and intent than common law fraud, mere evidence of simple negligence, oversight, or an erroneous judgment made in good faith not to disclose prior art is not sufficient to render a patent unenforceable."

3. Nondisclosure of Section 103 Prior Art

The Court in Union Carbide Corporation v. Filtrol Corp., 170 USPQ 482 (C.D. Calif. 1971), affirmed per curiam at 179 USPQ 209 (9th Cir. 1973), stated as a conclusion of law at page 521,

"[A] patent applicant's duty of disclosure to the Patent Office extends to prior art or other facts known to him which would anticipate the invention under 35 U.S.C. 102, or which, but for the nondisclosure, would have prevented the patent from issuing or would have restricted the scope of the claims."

The requirement to disclose Section 103 prior art has long existed as evidenced from In re Clark, supra, wherein the court indicated that a patent applicant could not "in 1956" "amend claims expressly to avoid a Section 102 reference unknown to the examiner and justifiably consider there was no duty to bring that reference to the examiner's attention." Obviously, once the claims are amended "expressly to avoid a Section 102 reference" the reference becomes, at best, a Section 103 reference.

In U.S. Industries, Inc. v. Norton Co., 210 USPQ 94, 114 (N.D. N.Y. 1980), the Court, in holding patent no. 3,181,939 which was applied for in 1961 and issued in 1965, invalid and unenforceable, held the duty to disclose a reference which rendered the claimed invention obvious existed in the early sixties. The Court stated at pages 106–108 that

"the scope and content of the prior art in patents '490, '491 and '709 contemplates the teachings of the '939 patent; . . . the necessary conclusion is that the '939 patent is invalid in its entirety as obvious . . . .

* * * * *

The specific act upon which plaintiffs argue fraudulent procurement is defendant Norton's failure to cite the '491 patent during the prosecution of the '939 patent before the Patent Office

* * * * *

[I]t is too late in the day to argue that failure to cite a highly relevant prior art reference would not violate the duty of candor thereby rendering a patent invalid or unenforceable."

See also True Temper Corp. v. CF & I Steel Corp., 202 USPQ 412, 415, 421 (10th Cir. 1979) wherein the court indicated that a duty to disclose a reference that made the claimed invention obvious existed during prosecution which occurred in the early sixties (patent issued December, 1964). In Buzelli v. Minnesota Mining & Manufacturing Co., 182 USPQ 307, 311 (E.D. Mich. 1974), 186 USPQ 464, 466–467 (6th Cir. 1975), the Courts in considering conduct occurring during prosecution of the 3,464,424 patent (1965–1969) held that plaintiff's failure to disclose prior art which would render the claims obvious, plus the false assertion that no such art existed, constituted inequitable conduct before the Patent Office which rendered the patent unenforceable.

◗The Court in Argus Chemical Corp. v. Fibre Glass-Evercoat Co., Inc., 225 USPQ 1100, 1102 (Fed. Cir. 1985) stated,

"In this appeal we lay to rest any further argument that in the past the standard for disclosure of known prior art only required that a reference which fully anticipated a patent, thereby destroy-

ing novelty under 35 U.S.C. 102, was required to be disclosed to the PTO under an applicant's duty of candor."

The extent to which patents are held invalid based on "fraud" or "inequitable conduct" for the failure to disclose § 103 prior art obviously depends on the relevance of the art and the entire circumstances involved.

That a prior art reference could not be used to support a rejection of claims may mitigate the failure to disclose such reference: however, a prior art reference need not form the basis of a rejection in order to be deemed material: In re Kaufman, 212 USPQ 23, 25 (Com'r Pats. 1981). Note also A.B. Dick Co. v. Burroughs Corp., 228 USPQ 65, 75 (N.D. Ill. 1985); Driscoll v. Cebalo, 221 USPQ 745, 750 (Feb. Cir 1984).

4. Prior Art or Other Information Disclosed in an Inadequate Manner

In general, the prior art has to be brought to the attention of the examiner in an adequate fashion. Thus, in Penn Yan Boats, Inc. v. Sea Lark Boats, Inc., 175 USPQ 260 (S.D. Fla. 1972) at 272, the Court indicated,

"[T]he purpose of this misrepresentation was to bury the Wollard Patent in a long list of allegedly old prior art patents in the hope that the Patent Examiner, having already allowed the Stuart claims, would ignore the list and permit the Stuart patent to issue. Such conduct clearly violates the required standard of candor and fair dealing with the Patent Office. Stuart had a clear obligation to call the Wollard patent to the attention of the Patent Office in a proper fashion. . . ."

5. Misrepresentation of Prior Art or Other Information

Misrepresentations regarding the prior art can render a patent unenforceable as evident from Penn Yan Boats, Inc. v. Sea Lark Boats. Inc., 175 USPQ 260 (S.D. Fla. 1972), affirmed 178 USPQ 577 (5th Cir. 1973), certiorari denied 414 U.S. 874 (1974).

6. Misrepresentations in Affidavits

Misrepresentations in affidavits can result in findings of "fraud" or "inequitable conduct.' In Timely Products Corp. v. Arron, 187 USPQ 257 (2nd Cir. 1975), a 37 CFR 1.131 affidavit averred that the applicant had been "associated with another" in his work prior to the reference's filing date without disclosing that the patentee of the reference was the "another."

In SCM Corp. v. RCA, 167 USPQ 196, 206 (S.D.N.Y. 1970), the Court found that affidavits relied upon by Counsel to support his position omitted relevant data and that Counsel "in all likelihood" knew the data was inaccurate. The Court indicated

"[I]n any event, he should have known. . . . It was his duty to inform himself. . . . He could not avoid responsibility by trying not to "see the details"."

See also Cosden Oil & Chemical Co. v. American Heochst Corp., 543 F. Supp. 522, 214 USPQ 244, 269-270 (D. Del. 1982).

In Chas. Pfizer & Co. Inc. v. Federal Trade Commissison, 159 USPQ 193 (6th Cir 1968), certiorari denied, 161 USPQ 832 (1969), the Court found the affidavits to be misleading. In Monsanto Co. v. Rohm & Haas Co., 172 USPQ 323, 326 (3rd Cir. 1972), the Court found that

"in all, the affidavit showed less than 25 percent of Husted's results; of 810 tests, only 150 were submitted. The District Court concluded that this close-cropping of Husted's findings amounted to misrepresentation."

The Court of Appeals for the Federal Circuit in Rohm & Haas Co. v. Crystal Chemical Co., * * * 722 F.2d 1556, 220 USPQ 289, 301 (Fed. Cir. 1983), cert. denied 105 S.Ct. 172 (1984), found, in holding the patent invalid because of fraud on the PTO during procurement,

"that data in Affidavit E were falsified and that the differing experimental conditions that lay behind the data comparison in Affidavit D were not revealed to the PTO."

See also Armour & Co. v. Swift & Co., 175 USPQ 70, 77-78 (7th Cir. 1972).

7. Misrepresentations in Patent Application Oaths or Declarations

Misrepresentations in patent application oaths or declarations have resulted in holdings of "fraud." See, for example, Walker Products, Inc. v. Food Machinery Co., 382 U.S. 172, 147 USPQ 404 (1969); United States v. Saf-T-Boom, 164 USPQ 284 (E.D. Ark, W. Div. 1970), affd. 431 F.2d 737, 167 USPQ 195 (8th Cir. 1970). In Saf-T-Boom the District Court, at 284, rejected an argument that the applicant signed the oath in ignorance of its contents, and without reading it, stating that applicant

"knew that he was applying for a patent, and that he was executing an affidavit to be submitted to the Patent Office. Regardless of whether he read the affidavit or knew what was in it, he in effect represented to the Patent Office that the facts stated in the affidavit were true and correct to the best of his knowledge and belief, and he must have known that the Patent Office would or might rely on the affidavit."

Chromalloy American Corp. v. Alloy Surfaces Co., 173 USPQ 295, 307 (D.Del 1972), represents another situation in which a false oath resulted in a holding that the patent was "unenforceable because it was obtained from the Patent Office by clearly inequitable conduct" * * *. The patentee had falsely stated, when filing a continuation-in-part (CIP), that no foreign applications corresponding to the parent application had been filed. In fact a British counterpart had been filed and issued more than one year prior to the filing date of the C-I-P, thereby becoming a reference under 35 U.S.C. 102(b) for the claims containing additional matter in the C-I-P.

However, while misrepresentations in oaths may result in holdings of "fraud" or "inequitable conduct", a mere mistake or an immaterial misrepresentation will normally not. For example, a mistake or misrepresentation of an applicant's residence, without more, would normally not constitute "fraud" or "inequitable conduct." Similarly, in Langer v. Kaufman, 175 USPQ 172 (C.C.P.A. 1972), the Court found that, under the circumstances, there present, an incorrect statement in the oath that an application was a continuation rather than a continuation-in-part did not

constitute "fraud." In so doing, the Court indicated that

"Norton v. Curtiss . . . sets forth the various elements which must be proved to sustain a charge of misconduct. One of these is that the alleged misrepresentation must be material, and . . . materiality extends to 'indications in the record that the claims at issue would not have been allowed but far the challenged misrepresentation . . .' We have been directed to no such indications, and we have found none."

8. MISREPRESENTATIONS IN PATENT SPECIFICATIONS

Misrepresentations in patent specifications have resulted in loss of rights to the patentee. See, for example Steierman v. Connelly et al, 192 USPQ 433 (PTO Bd. of Pat. Int. 1975); 192 USPQ 446 (PTO Bd. of Pat. Int. 1976), wherein the Board of Patent Interferences, in awarding priority to the junior party, found, at page 436, that

"the record clearly supports a finding that between the time Connelly performed his experiments and the time an application was filed, someone . . . decided the Connelly experimental work would not be repreduced exactly in the Connelly et al application."

The Board of Patent Interferences concluded, at page 438, that

"[t]he 'inequitable conduct' issue presented in this interference would not have arisen if Connelly, Hares, counsel, and possibly others . . . had seen to it that the experimental work by Connelly had properly appeared in the Connelly et al application. We cannot condone what occurred. We are hopeful, indeed, that we will not encounter in any future cases the type of 'loose practice' which occurred in this case, because such 'loose practice' only adds to the 'suspicion and hostility' with which many, including federal judges, unfortunately approach the patent system."

See also Grefco Inc. v. Kawanee Industries, Inc., 499 F. Supp. 844, 208 USPQ 218, 240 (Del. 1980), aff'd. wo opin. CA 3, cert. den. 213 USPQ 888 (1981).

2012 Reissue Applications Involving Issues of Fraud, * * * ◆ Inequitable Conduct◆ and/or Violation of Duty of Disclosure [R-3]

Questions of "fraud" ◆, "inequitable conduct"◆ or violation of "duty of disclosure" or "candor and good faith" can arise in reissue applications. * * *

REQUIREMENT FOR "ERROR WITHOUT ANY DECEPTIVE INTENTION"

Both 35 U.S.C. 251 and 37 CFR 1.175 promulgated pursuant thereto, require that the error must have arisen "without any deceptive intention." In re Heany, 1911 C.D. 138, 180, unequivocally states

"Where such a condition [fraudulent or deceptive intention] is shown to exist the right to reissue is forfeited."

Similarly, the court in In re Clark, 187 USPQ 209, 213 (C.C.P.A. 1975) indicated

"Reissue is not available to rescue a patentee who had presented claims limited to avoid particular prior art and then had failed to disclose that prior art . . . after that failure to disclose has resulted in invalidating of the claims."

It is clear that "fraud" cannot be purged through the reissue process. See conclusions of Law 89 and 91 in Intermountain Research and Engineering Co., Inc. v. Hercules Inc., 171 USPQ 577, 631, 632 (C.D. Calif. 1971).

REISSUE CAN BE REJECTED FOR FRAUD ◆, INEQUITABLE CONDUCT"◆ OR VIOLATION OF DUTY OF DISCLOSURE DURING PENDENCY OF APPLICATION WHICH ISSUED AS PATENT NOW SOUGHT TO BE REISSUED

"Fraud" ◆, "inequitable conduct"◆ or "violation of the duty of disclosure" in obtaining the original patent is imputed to the reissue application, and *cannot* be corrected by reissue.

As provided in 37 CFR 1.176, an applicant who files for reissue of a patent is submitting "the entire application" to examination "in the same manner as original applications", including the question of the presence or absence of "fraud" ◆, "inequitable conduct"◆ or "violation of duty of disclosure" in the prosecution of the application resulting in the patent which is sought to be reissued ◆, or of the reissue application itself◆.

37 CFR 1.56(d) provides

(d) 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 gross negligence. The claims in an application shall be rejected if upon examination pursuant to 35 U.S.C. 131 and 132, it is established by clear and convincing evidence (1) that any fraud was practiced or attempted on the Office in connection with the application, or in connection with any previous application upon which the application relies, or (2) that there was any violation of the duty of disclosure through bad faith or gross negligence in connection with the application, or in connection with any previous application upon which the application relies.

Clearly, where several patents or applications stem from an original application which contained fraudulent claims ultimately allowed, the doctrine of unclean hands bars allowance or enforcement of any of the claims of any of the applications or patents: Keystone, Driller Co. v. General Excavator Co., 290 U.S. 240, 245, 19 USPQ 228, 230 (1933); East Chicago Machine Tool Corp. v. Stone Container Corp., 181 USPQ 744, 748 (N.D. Illinois, E.Div. 1974), modified, 185 USPQ 210. See also Chromalloy American Corp. v. Alloy Surfaces, Inc., 173 USPQ 295 (D.Del. 1972) and Strong v. General Electric Co., 162 USPQ 141 (N.D. Ga. 1969), aff'd 168 USPQ 8 (5th Cir. 1970) where fraud or inequitable conduct affecting only certain claims or only one of related patents was held to affect the other claims or patent. Clearly, "fraud" "practiced or attempted" in an application which issues as a patent is "fraud" "practiced or attempted" "in connection with" any subsequent application to reissue that patent. The reissue application and the patent are inseparable as far as questions of "fraud" ◆, "inequitable conduct" or "violation of the duty of disclosure"◆ are concerned. See In re Heany, supra; and Norton v. Curtiss, 433 F.2d 779, 167 USPQ 532, 543 (C.C.P.A. 1970), wherein the Court stated,

"We take this to indicate that any conduct which will prevent the enforcement of a patent after the patent issues should, if discovered earlier, prevent the issuance of the patent."

Clearly, if a reissue patent would not be enforceable after its issue because of "fraud" ◆, "inequitable conduct or "violation of duty of disclosure"◆ during the

prosecution of the patent sought to be reissued, the reissue patent ◆application◆ should not issue. Under such circumstances, an appropriate remedy would be to reject the claims in the application in accordance with 37 CFR 1.56.

◆In In re Jerabek, 229 USPQ 530 (Fed. Cir. 1986) the Court of Appeals for the Federal Circuit sustained a Board decision affirming the Special Programs Examiner's rejection of claims upon examination pursuant to 35 U.S.C. 131 and 132, as provided in 37 CFR 1.56(d), based on clear and convincing evidence of a violation of the duty of disclosure during prosecution of the patents sought to be reissued.◆

2012.01 Collateral Estoppel

The Supreme Court in Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation 402 U.S. 313, 169 USPQ 513 (1971) set forth the rule that once a patent has been declared invalid via judicial inquiry, a collateral estoppel barrier is created against further litigation involving the patent, unless the patentee-plaintiff can demonstrate "that he did not have" a full and fair chance to litigate the validity of his patent in "the earlier case." As stated in Kaiser Industries Corp. v. Jones & Laughlin Steel Corp., 185 USPQ 343, 362 (3rd Cir. 1975),

"In fashioning the rule of Blonder-Tongue, Justice White for a unanimous Court made it clear that a determination of patent invalidity, after a thorough and equitable judicial inquiry, creates a collateral estoppel barrier to further litigation to enforce that patent."

Under 35 U.S.C. 251 the Commissioner can reissue a patent only if there is "error without any deceptive intention." The Commissioner is without authority to reissue a patent when "deceptive intention" was present during prosecution of the parent application: In re Clark, 187 USPQ 209 (C.C.P.A. 1975), and In re Heany, 1911 C.D. 138, 180. Thus, the collateral estoppel barrier applies where reissue is sought of a patent which has been held invalid or unenforceable for "fraud" or "violation of duty of disclosure" in procuring of said patent. It was held in In re Kahn, 202 USPQ 772, 773 (Comr. Pats. 1979):

"Therefore, since the Kahn patent was held invalid, inter alia, for "failure to disclose material facts of which * * * [Kahn] was aware" this application may be striken under 37 CFR 1.56 via the doctrine of collateral estoppel as set forth in Blonder-Tongue supra.

* * * * *

The Patent and Trademark Office . . . has found no clear justification for not adhering to the doctrine of collateral estoppel under Blonder-Tongue in this case. Applicant has had his day in court. He appears to have had a full and fair chance to litigate the validity of his patent."

Note § 2259 for collateral estoppel in reexamination proceedings.

2013 Protests Involving Issues of Fraud, * * * ◆Inequitable Conduct◆ and/or Violation of Duty of Disclosure [R-3]

37 CFR 1.291 permits protests by the public against pending applications. 37 CFR 1.56(h) as promulgated effective July 1, 1982 provides,

"Any member of the public may seek to have the claims in an application rejected pursuant to paragraph (d) of this section by filing a timely protest in accordance with § 1.291. Any such protest filed by an attorney or agent must be in compliance with § 1.346."

Submissions under § 1.291 are not limited to prior art documents such as patents and publications, but are intended to include any information, which in the protestor's opinion, would make or have made the grant of the patent improper: see § 1901.02. This includes, of course, information indicating the presence of "fraud" or "inequitable conduct" or "violation of the duty of disclosure."

37 CFR 1.56 as revised effective July 1, 1982 limits "petitions to strike" (§ 1.56(f) & (g) to violations of paragraph (c), with any violations of paragraph (d) being subject matter for protest under § 1.291 and for rejection under paragraph (d); see § 2015.

Any protest filed alleging "fraud" ◆, "inequitable conduct"◆ or "violation of the duty of disclosure" can be submitted by mail to the Commissioner of Patents and Trademarks, Washington, D.C. 20231, and should be directed to the attention of the Office of the Assistant Commissioner for Patents, Building 3, Room 11A13. (See § 1901.03).

Protests filed pursuant to § 1.56(h) should be in conformance with § 1.291(a) and (b), and include a statement of the alleged facts involved, the point or points to be reviewed, and the action requested. Any briefs or memoranda in support of the petition, and any affidavits, declarations, depositions, exhibits, or other material in support of the alleged facts, should accompany the protest.

Protests containing allegations or information relating to possible "fraud", * * * ◆"inequitable conduct"◆ and/or violations of duty of disclosure must, except where the application has previously been referred to, reviewed by, or returned for examination by the Office of the Assistant Commissioner for Patents, be immediately referred to that Office along with the relevant files; see § 2022.01.

2014 Duty of Disclosure in Reexamination Proceedings [R-3]

As provided in 37 CFR 1.555, the duty of disclosure in reexamination proceedings applies to the patent owner. That duty is a continuing obligation on the part of the patent owner throughout the proceedings. However, issues of * ◆"fraud", "inequitable conduct" or "violation of duty of disclosure"◆ are not considered in reexamination. See § 2280. If questions of "fraud", "inequitable conduct" ◆or "violation of duty of disclosure"◆ are discovered during reexamination proceedings, the existence of such questions will be noted by the examiner in an Office action, in which case the patent owner may desire to consider the advisability of filing a reissue application to have such questions considered and resolved. See § 2258.

For the patent owner's duty to disclose prior or concurrent proceedings in which the patent is or was involved, see §§ 2282 and 2001.06(c).

2015 Petitions To Strike Under 37 CFR 1.56(c) [R-3]

New paragraphs (f) and (g) of § 1.56 promulgated effective July 1, 1982 provide,

"(f) Any member of the public may seek to have an application stricken from the files pursuant to paragraph (c) of this section by filing a timely petition to strike the application from the files. Any such timely petition and any accompanying papers will be entered in the application file if the petition and accompanying papers (1) specifically identify the application to which the petition is directed, and (2) are either served upon the applicant in accordance with § 1.248, or filed with the Office in duplicate in the event service is not possible. Any such petition filed by an attorney or agent must be in compliance with § 1.346.

"(g) A petition to strike an application from the files submitted in accordance with the second sentence of paragraph (f) of this section will be considered by the Office. An acknowledgement of the entry of such a petition in a reissue application file will be sent to the member of the public filing the petition. A member of the public filing such a petition in an application for an original patent will not receive any communications from the Office relating to the petition, other than the return of a self-addressed postcard which the member of the public may include with the petition in order to receive an acknowledgement by the Office that the petition has been received. The Office will communicate with the applicant regarding any such petition entered in the application file and may require the applicant to respond to the Office on matters raised by the petition. The active participation of the member of the public filing a petition pursuant to paragraph (f) of this section ends with the filing of the petition and no further submission on behalf of the petitioner will be acknowledged or considered unless such submission raises new issues which could not have been earlier presented, and thereby constitutes a new petition."

Paragraph (f) continues the long standing practice whereby any member of the public can file a petition to strike an application from the files pursuant to paragraph (c) of § 1.56. Prior to promulgation of paragraph (f) such petitions were being filed without specific mention in § 1.56. Paragraph (f) requires that any such petition alleging a violation of paragraph (c) in order to be entered in an application file, must (1) be timely filed, (2) specifically identify the application to which the petition is directed, and (3) be served on the applicant or be filed with the Office in duplicate in the event service is not possible.

Paragraph (f) does not specifically limit a "timely petition" to any particular point in the examination of the application. Such petitions will generally be considered "timely" if they are filed before final rejection or allowance of the application by the examiner. Whether or not a petition filed after final rejection or allowance of the application by the examiner is considered "timely" will depend upon the circumstances and the point in the prosecution at which the petition is submitted.

Paragraph (f) requires that the petition specifically identify the application to which the petition is directed. While an identification by application serial number is not ◊absolutely◊ essential, the identification must include enough specificity that the Office can determine with certainty the application to which the petition is directed. Paragraph (f) requires service of a copy of the petition on the applicant, or a duplicate copy in the event service is not possible, before the petition will be entered. While the Office might, in some circumstances, reproduce and serve a petition on the applicant, a member of the public would have no assurance that this would be done and, under paragraph (f), could not rely upon the Office doing so.

Paragraph (g) of § 1.56 assures a member of the public that a petition to strike an application for violation of paragraph (c) of § 1.56 which meets the requirements of paragraph (f) will be considered by the Office.

Paragraph (g) of § 1.56 provides the Office will send petitioner an acknowledgment of the entry of a petition to strike in a reissue application file. However, the Office will not communicate with the member of the public filing such a petition in non-reissue applications, except for the return of any self-addressed postcard which was enclosed which merely acknowledges receipt of the petition. The member of the public filing the petition will not be permitted to contact the Office as to the disposition, or status, of the petition, or to participate in any Office proceeding relating to the petition. No further papers will be acknowledged or considered unless they raise new issues which could not have been earlier presented and thereby constitute a new proper petition. Mere arguments relating to the Office's decision on the petition or applicant's response to the petition would not qualify as a new proper petition. The disposition of the petition, once one has been filed will under paragraph (g), be an ex parte matter between the Office and the applicant.

Paragraph (g) provides for communication by the Office with the applicant regarding a petition to strike the application which has been entered in the application file. Under paragraph (g) the applicant could be required by the Office to respond to the petition. Any such response would be ex parte and would not be served on the member of the public filing the petition.

Petitions to strike, in addition to complying with § 1.56(f), should contain a statement of the alleged facts involved, the point or points to be reviewed, and the action requested. Any briefs or memorandum in support of the petition, and any affidavits, declarations, depositions, exhibits, or other materials in support of the alleged facts, should accompany the petition.

Petitions to strike can be submitted by mail to the Commissioner of Patents and Trademarks, Washington, D.C. 20231, and should be directed to the attention of the Office of the Assistant Commissioner for Patents, Room 3-11A13.

Petitions under § 1.56(f) must, be immediately referred to the Office of the Assistant Commissioner for Patents along with the relevant application files (see 2022.01).

◊2016 Fraud, Inequitable Conduct or Violation of Duty of Disclosure Affects All Claims [R-3]

A finding of "fraud", "inequitable conduct" or violation of duty of disclosure with respect to any claim in an application or patent, renders all the claims thereof unpatentable or invalid: Chromalloy American

Corp. v. Alloy Surfaces, Inc., 173 USPQ 295 (N. Del 1972) and Strong v. General Electric Co., 162 USPQ 141 (ND Ga. 1969), aff'd. 168 USPQ 8 (5th Cir. 1970). In J.P. Stevens & Co., v. Lex Tex Ltd., Inc., 223 USPQ 1089, 1093-1094 (Fed. Cir. 1984), the court stated,

"Once a court concludes that inequitable conduct occurred, all the claims—not just the particular claims to which the inequitable conduct is directly connected—are unenforceable. *See generally,* cases collected in 4 Chisum, PATENTS, paragraph 19.03[6] at 19-85 n. 10 (1984). Inequitable conduct "goes to the patent right as a whole, independently of particular claims". *In re Clark,* 522 F.2d 623, 187 USPQ 209, 212 (CCPA)."

The Court noted in Stevens that while in

"*In re Multidistrict Litigation Involving Frost Patent,*" 540 F.2d 601, 611, 191 USPQ 241, 249 (3rd. Cir. 1976), some claims were upheld despite nondisclosure with respect to others. The case is not precedent in this court."

As stated in Gemveto Jewelry Co. v. Lambert Bros., Inc., 542 F. Supp. 933, 216 USPQ 976, 984 (S.D.N.Y. 1982),

"The gravemen of the fraud defense is that the patentee has failed to discharge his duty of dealing with the examiner in a manner free from the taint of 'fraud or other inequitable conduct'. If such conduct is established in connection with the prosecution of a patent, the fact that the lack of candor did not directly affect *all* the claims in the patent has never been the governing principle. It is the inequitable conduct that generates the unenforceability of the patent and we cannot think of any cases where a patentee partially escaped the consequences of his wrongful acts by arguing that he only committed acts of omission or commission with respect to a limited number of claims. It is an all or nothing proposition. [Emphasis in original.]

Clearly, "fraud", "inequitable conduct" or "violation of duty of disclosure" with respect to any claim renders all claims in an application unpatentable and subject to rejection in accordance with 37 CFR 1.56(d): see 2033.

2019 Examination of Applications Having Issues Under 37 CFR 1.56(c) [R-3]

Consideration of issues under 37 CFR 1.56(c) will not normally, consistent with long standing Office practice, be deferred, but will occur prior to examination as to issues of patentability, or as soon as such issues are discovered or identified. Similarly, consideration of petitions to strike under § 1.56(c) will not normally be deferred. Section 1.56(g) provides that such petitions, when filed in conformance with § 1.56(f) will be considered by the Office.

Identification of Issues and Referral to Office of Assistant Commissioner for Patents

As soon as possible issues under 37 CFR 1.57(c) are identified to ▶or by◀ the examiner (note §§ 2005 and 2006), the application should be forwarded to the Office of the Assistant Commissioner for Patents for consideration. The application should be accompanied by a brief memorandum identifying the issues and where in the documents and other material the facts and allegations can be located. Where the referral comes from an examining group, the memorandum should be signed by the group director.

2020 Examination of Applications Having Issues of Fraud, ▶Inequitable Conduct◀ * * * and/or Violation of the Duty of Disclosure [R-3]

While issues of fraud ▶, inequitable conduct◀ or violation of the duty of disclosure do not arise in a large percentage of the applications examined by the Office, such issues arise with sufficient frequency that examiners and other Office personnel should be cognizant of such issues and how they are treated procedurally within the Office. A review of the preceding sections of this Chapter will render it clear as to the types of issues which can be raised, or which can be present. In addition, it is appropriate to identify typical issues which can be raised, or which are present, with some degree of frequency in various types of applications in order that Office personnel will be cognizant of the same.

2020.01 Typical Issues Present in Original Applications [R-3]

Typical issues found in original applications, i.e., applications other than reissue, relate to such matters as irregularities in affidavits and allegations that improper inventors have been knowingly and fraudulently named. Inventorship disputes typically arise where one or more of the named inventors believe that the inventive entity is improperly constituted, or in circumstances where an unnamed individual believes he or she should be named as an inventor and alleges that the failure to do so occurred as a result of bad faith. Another issue which arises with some degree of frequency is the failure to identify the source of copied patent claims as required by 37 CFR 1.205(b) and § 1101.02(d). Other issues arise through the failure to disclose to the Office prior patents to the same applicant or assignee, or prior abandoned or copending applications of the same applicant or assignee, which are "material to the examination" of the application under consideration: Note Armour & Co. v. Swift & Co., 175 USPQ 70, 79 (7th Cir. 1972). * * * ▶Undisclosed prior◀ publications of the same applicant and/or assignee are also the source of some issues in original applications, as are prior public uses and/or sales which are either not disclosed by the applicant, but are discovered by the Office, or are disclosed to the Office by someone other than the applicant. Allegations that the oath or declaration is false in some material respect also arise in original applications, e.g., an oath or declaration stating that no foreign application has been filed when foreign applications have in fact been filed.

2020.02 Typical Issues Present in Reissue Applications [R-3]

The issues which can be raised, or which can be present, in reissue applications include all of the issues which can be present in original applications and some others as well. In fact, the majority of "fraud" ◗, "inequitable conduct"◖ or violation of the duty of disclosure issues which arise are in reissue applications where the patent is, or has been, involved in litigation. The fact that more issues of "fraud" or "violation of the duty of disclosure" arise in reissue applications than in original applications is not surprising in view of the public accessibility of the reissue applications and also the fact that the issues can be raised with regard to both the original prosecution of the patent and also the prosecution of the reissue application. Probably the most common issues arise as a result of the failure to disclose during the prosecution of the original application which resulted in the patent the existence of (1) prior art patents and/or publications known to those individuals covered by 37 CFR 1.56(a) during the pendency of the original application or (2) prior public use and/or on sale issues which resulted from activities on behalf of the applicant and/or the assignee more than one year prior to the effective filing date to which the claims are entitled. For example, if the original patent issues without disclosure to the Office of prior patents or publications, or without disclosure of public use and/or on sale questions regarding activities more than one year prior to the effective filing date to which the claims are entitled, issues of "fraud" or "violation of the duty of disclosure" are present in the reissue application if the individuals identified in § 1.56(a) had knowledge of the information prior to the issuance of the patent.

Other examples of issues which can arise are any one or more of those set forth in § 2011. Any issue relating to "fraud" or "violation of the duty of disclosure" which can be raised in litigation relating to the patent can also be raised, or can be present, in Office proceedings for reissuance of the patent.

2020.03 Identification of Issues and Referral to Office of Assistant Commissioner for Patents [R-3]

As soon as an issue of "fraud" ◗, "inequitable conduct"◖ or "violation of the duty of disclosure" is identified in, or with regard to, an application, the application should be forwarded to the Office of the Assistant Commissioner for Patents. The application should be accompanied by a brief memorandum identifying the issue(s) of "fraud" ◗, "inequitable conduct"◖ or "violation of the duty of disclosure" and pointing out what facts and/or allegations raise the issue(s)and where in the documents and/or other materials the facts and/or allegations can be located.

The brief memorandum should include the wording of Form Paragraph 20.01.

20.01 Noting conduct issues to Office of Assistant Commissioner

The present application has been reviewed and it is noted that an issue of possible violation of duty of disclosure and/or fraud is present pursuant to 37 CFR 1.56. Briefly, the issue involves [1]. In accordance with Section 2020.03 of the MPEP, this application is hereby referred to the Office of the Assistant Commissioner for Patents via the Office of the Director of Examining Group [2] for review of such issues.

Examiner Note:

This form paragraph is used for purposes of producing a memorandum to the Office of the Assistant Commissioner for Patents. It is not used in Office actions.

Where the referral comes from an examining group, the memorandum should be signed by the group director. Applications which have been previously referred to the Assistant Commissioner's Office and returned for examination, need not be referred again, until after the close of prosecution before the examiner, even though additional "fraud" ◗, "inequitable conduct"◖ or "violation of the duty of disclosure" issues are raised. However, the initial referral must not be delayed, but must take place as soon as the issue is identified.

2021 Initial Review and Treatment by Office of Assistant Commissioner for Patents [R-3]

After receipt of the application in the Office of the Assistant Commissioner for Patents, the application is reviewed to determine what action is appropriate at that stage of the examination.

DEFERRAL OF "FRAUD" ◗, "INEQUITABLE CONDUCT"◖ OR "VIOLATION OF DUTY OF DISCLOSURE" ISSUES

37 CFR 1.56(e) as promulgated effective July, 1982 provides,

> "The examination of an application for compliance with paragraph (d) of this section will normally be delayed until such time as (1) all other matters are resolved, or (2) appellant's reply brief pursuant to § 1.193(b) has been received and the application is otherwise prepared for consideration by the Board of Appeals . . ."

New Section (e) continues the present Office policy of deferring consideration of issues of "fraud" ◗"inequitable conduct"◖ or "violation of duty of disclosure" in any application until the other issues are resolved or the application is otherwise ready for consideration by the Board of ◗Patent◖ Appeals ◗and Interferences◖ (note § 1448).

Thus, under normal circumstances an application referred to the Office of the Assistant Commissioner for Patents would be returned to the group director for examination along with any appropriate examining instructions After completion of examination before the examiner, or at such time as the application is otherwise ready for consideration by the Board of ◗Patent◖ Appeals ◗and Interferences◖, the application is returned to the Office of the Assistant Commissioner for Patents (see § 2022.03) for consideration of the issue(s) of "fraud" ◗, "inequitable conduct"◖ and/or "violation of the duty of disclosure". See In re Gabriel, 203 USPQ 463 (Comr. Pats. 1978); and § 2030.

Issues under 37 CFR 1.56(c) Not Deferred

Consideration of issues under 37 CFR 1.56(c) will normally occur, consistent with long standing Office practice, before examination as to patentability, as soon as such issues are discovered or identified. As provided in § 1.56(g), petitions to strike under § 1.56(g), which are filed in conformance with § 1.56(f), will be considered by the Office. Such consideration will not normally be deferred.

2021.01 Deferral of Decisions on Issues of Conduct Presented in Protests [R-3]

The existing Office policy of deferring consideration of issues of "fraud" ◗, "inequitable conduct"◖ and "violation of duty of disclosure", as provided for in 37 CFR 1.56(e) (see § 2021), extends to such issues where presented in protests filed under §§ 1.56(h) and 1.291(a). Matters other than "fraud" ◗, "inequitable conduct"◖ or "violation of the duty of disclosure" raised in a protest, for example, patentability in light of references, will be treated by the examiner or other appropriate official. Requests relating to procedural matters involving examination of the application will be decided by the examining group director, unless such requests have already been treated by the Office of the Assistant Commissioner for Patents.

Protests raising issues of possible "fraud" ◗, "inequitable conduct"◖ or "violation of duty of disclosure" filed after an application has been initially reviewed and returned for examination by the Office of the Assistant Commissioner for Patents will ordinarily be acknowledged by the examining group director as set forth in §1.291(c). In Acknowledging such protest in a reissue application, the group director will indicate that the protest will be forwarded to the Office of the Assistant Commissioner for Patents for decision on the conduct issues after all other issues are resolved or the application is otherwise ready for consideration by the Board of ◗Patent◖ Appeals ◗and Interferences◖.

2021.02 Suspension of Action Because of Litigation [R-3]

In order to avoid duplication of effort, action is sometimes suspended because of the litigation. See § 1442.02. Under some circumstances, examination is expedited. See § 1442.03. Under the expedited examination procedures, issues of "fraud" ◗, "inequitable conduct"◖ or "violation of the duty of disclosure" are deferred until other issues are * ◗resolved, or the application is otherwise ready for consideration by the Board of Patent Appeals and Interferences◖. See §1448 and §1.56(e).

2021.03 Returning Application to Group Director for Examination [R-3]

Following the initial review by the Office of the Assistant Commissioner for Patents of an application containing possible issues of "fraud" ◗, "inequitable conduct"◖ or "violation of duty of disclosure", under most circumstances the application is returned to the group director for immediate examination as to all matters other than "fraud" ◗, "inequitable conduct"◖ or "violation of the duty of disclosure". Return of the application for examination may be by means of a formal decision returning the application with specific examining instructions, which is entered in the application file, or by a less formal referral without any specific examining instructions.

Some details of Office practice in this area are discussed for example, in In re Schlegel, 200 USPQ 797, 800 (Comr. Pats. 1977), and In re Gabriel, 203 USPQ 468 (Comr. Pats. 1978).

2021.04 Requirements for Information

Under some circumstances the initial review by the Office of the Assistant Commissioner for Patents reveals the necessity, or desirability, of seeking more information relating to specific issues. Such issues requiring more information include: (1) execution of an application in blank or without review thereof, (2) alteration of application papers after signing of the oath or declaration prior to decision on § 1.56(c) questions, and (3) inventorship or possible public use and/or sale, prior to or as part of a decision returning the application for examination. Such requirements for information are provided for, consistent with existing Office procedures, in paragraph (i) of § 1.56 as promulgated effective July 1, 1982. Authority for such requirements is provided by 35 U.S.C. 132. Requirements for information may be utilized where it appears that more information may be necessary in order for the examiner to reach a proper decision, and where it appears that such information may be available to applicant. The requirements frequently take the form of written questions directed to those individuals likely to have desired information or to have access thereto.

2022 Examination by the Examiner After Return From the Office of the Assistant Commissioner [R-3]

It is important that the examiner's actions on applications returned for examination under this Chapter be complete, thorough, and set forth detailed reasons for any conclusions reached by the examiner. Detailed reasons are important since subsequent decisions by the Office of the Assistant Commissioner for Patents frequently refer to, and rely upon, the decision of the examiner on issues such as whether or not the claims aviod the prior art, and the materiality of prior art references. The basis for the examiner's decision, and the reasons for reaching that decision, must be clearly reflected in the examiner's actions. The examiner must be careful that no significant issues are overlooked and that the materiality, or lack of materiality, of the refernces is apparent from the actions. Any examining instructions from the Office of the Assistant Commissioner for Patents must be followed explicitly. In addition, the examiner must conduct a "normal" examination on the merits, including a thorough search of the relevant prior art.

In cases referred for examination under this Chapter, the examination should be complete as to all matters except that any issues relating to "fraud" ◗, "inequitable conduct"◖ or "violation of the duty of disclosure" will not be considered by the examiner. Examiners must refrain from commenting in Office actions on issues of "fraud" ◗, "inequitable conduct"◖ or "violation of the duty of disclosure". The Office action by the examiner in applications being examined under the provisions of this Chapter should include Form Paragraph 20.02.

20.02 Deferral of conduct issues

Consideration of any issues relating to possible "fraud" or violation of the duty of disclosure are being deferred, consistent with 37 CFR 1.56(e), pending resolution of all other matters in favor of applicant, or the application being otherwise ready for consideration by the Board of ◗Patent◖ Appeals ◗and Interferences◖, at which time this application will be referred to the Office of the Assistant Commissioner for Patents for consideration of any such issues.

Examiner Note:

The paragraph should only be included in Office actions after the application has been returned to the examiner under MPEP 2022.

2022.01 Examiner Notation and Deferral of Additional Issues of Fraud ◗, Inequitable Conduct◖ or Violation of the Duty of Disclosure [R-3]

Where the application has previously been referred to, reviewed by, and returned for examination by the Office of the Assistant Commissioner for Patents, and the examiner becomes aware of additional issues of "fraud" ◗, "inequitable conduct"◖ or "violation of duty of disclosure", the examiner will *note* the *existence* of such issues in the next Office action. However, the examiner will not comment on the substantive merit of such issues, and will indicate that consideration of such additional issues will be deferred until all other matters before the examiner have been disposed of or the application is otherwise ready for consideration by the Board of ◗ Patent◖ Appeals ◗and Interferences◖, at which time the case will be ◗returned◖ * to the Office of the Assistant Commissioner for Patents for consideration of such issues.

Form Paragraph 20.03 should be used in the office action.

20.03 Examiner notes additional conduct issues

It is noted that additional issues as to conduct by or on behalf of the applicant have been raised in [1]. Consideration of these additional issues will be deferred until all *other* questions as to patentability have been resolved in favor of applicant, or the application is otherwise ready for consideration by the Board of ◗Patent◖ Appeals ◗and Interferences◖, at which time this application will be forwarded to the Office of the Assistant Commissioner for Patents for consideration of any questions concerning conduct by or on behalf of applicant.

Examiner Note:

The blank should be filled with reference to the protest, declaration, paper no., etc., in which the additional issue is raised.

This form paragraph should only be employed if the application previously has been referred to the Office of the Assistant Commissioner.

2022.02 Claims and Application not Allowable Until Fraud ◗, Inequitable Conduct◖ or Duty of Disclosure Issues Resolved [R-3]

No claims should be indicated as "allowable" or "allowed" in these cases since the application will not be in condition for allowance, even if the claims are otherwise patentable, until after the "fraud" ◗, "inequitable conduct"◖ or "violation of the duty of disclosure" issues are resolved. The action by the examiner should, where appropriate only indicate that the designated claims avoid the prior art, the rejections of record, etc. A statement by the examiner that the claims are allowable would be inappropriate where a substantial issue such as "fraud" ◗, "inequitable conduct"◖ or "violation of the duty of disclosure" remains unresolved. Under no circumstances should the examiner pass the application for issue without consideration of, and a decision on, the issue(s) of "fraud" ◗, "inequitable conduct"◖ or "violation of the duty of disclosure" by the Office of the Assistant Commissioner for Patents.

2022.03 Close of Prosecution and Forwarding of Applications to Office of Assistant Commissioner for Patents After All Other Matters Are Resolved or Application is Otherwise Ready for Consideration by Board of ◗Patent◖ Appeals ◗and Interferences◖ [R-3]

When all other matters except issues relating to possible "fraud" ◗, "inequitable conduct"◖ or "violation of the duty of disclosure" have been resolved in favor of applicant, the examiner should close the prosecution of the application on its merits using the following language from Form Paragraph 20.04 in the Office action:

20.04 Closing prosecution-conduct issues remain

In view of applicant's communication filed on [1], claim [2] considered to avoid the rejections of record in the application. Accordingly, prosecution before the examiner on the merits of this application is closed. However, a determination of the issues relating to questions as to conduct by or on behalf of applicant remains outstanding.

This application is being referred to the Office of the Assistant Commissioner for Patents pursuant to MPEP 2022.03 for further consideration in regard to the question of conduct. Applicant will be sent further communications in due course.

Examiner Note:

Use either this paragraph or the following paragraph 20.05 to close prosecution.

In a reissue application filed with and containing only a 37 CFR 1.175(a)(4) type oath or declaration (note § 1414.02), and where all issues execpt those relating to possible "fraud" ◗, "inequitable conduct"◖ or "violation of duty of disclosure" have been resolved in favor of patentability, the examiner's action should include the following wording from Form Paragraph 20.06.

20.06 Reissue containing only 37 CFR 1.175(a)(4) and conduct issues

As a result of examination of this application, all claims are considered to avoid the art of record. A determination of issues relating to questions of conduct by or on behalf of applicant remains

outstanding. Accordingly, this application is being referred to the Office to the Assistant Commissioner for Patents pursuant to MPEP § 2022.03 for consideration of any such issues of conduct. Applicant will be sent further communications in due course.

If, or when, all such issues of conduct are resolved in favor of applicant, this application will be returned to the Group Director for immediate action by the examiner who will reject this application as lacking statutory basis for a reissue becasue 35 U.S.C. 251 does not authorize reissue of a patent unless it is deemed to be wholly or partly inoperative of invalid.

When an application is ready for consideration by the Board of ◊Patent◊ Appeals ◊and Interferences◊ e.g., applicant's reply brief pursuant to § 1.193(b) has been received, the examiner should suspend the appeal and forward the application to the Office of the Assistant Commissioner for Patents using the following language from Form Paragraph 20.07 in the Office action:

20.07 Forwarding to Assistant Commissioner for Patents after Receipt of Reply Brief

This application is ready for consideration by the Board of ◊Patent◊ Appeals ◊and Interferences◊ following receipt of applicant's Reply Brief pursuant to 37 CFR 1.193(b) filed ————, except that issues remain relating to questions of conduct by or on behalf of applicant. The appeal is hereby suspended and this application is being forwarded to the Office of the Assistant Commissioner for Patents for consideration of such issues (see 37 CFR 1.56(e)). Applicant will be sent further communications in due course.

Where an application, other than an application under § 1.175(a)(4), would have been in condition for allowance on first action except for issues relating to possible "fraud" ◊, "inequitable conduct"◊ or "violation of the duty of disclosure", the examiner should close the prosecution of the application on the merits using the following language from Form Paragraph 20.05 in the Office action:

20.05 Closing prosecution-conduct issues remain

Prosecution before the examiner on the merits of this application is closed. However, a determination of the issues relating to the question of conduct remains outstanding.

This application is being referred to the Office of the Assistant Commissioner for Patent pursuant to MPEP 2202.03 for consideration in regard to the question of conduct by or on behalf of applicant. Applicant will be sent further communications in due course.

Examiner Note:

Use either this paragraph or paragraph 20.04 to close prosecution.

After mailing of the Office action, the application should be transmitted via the supervisory primary examiner and the group director to the Office of the Assistant Commissioner for Patents for consideration of the question of "fraud" ◊, "inequitable conduct"◊ or "violation of the duty of disclosure". If additional information from the examiner is necessary, or desirable, to properly conduct the investigation, the application may be returned to the examiner, by way of the group director, to supply such information; such as for the examiner's opinion as to "materiality" of certain prior art or information; or further examination as to matters of patentability other than "fraud" ◊, "inequitable conduct"◊ or "violation of duty of disclosure".

2022.04 Application Abandoned During Prosecution Before Examiner [R-3]

Where an application containing questions of "fraud" ◊, "inequitable conduct"◊ or "violation of the duty of disclosure" becomes abandoned during examination before the examiner, the abandoned application must be forwarded to the Office of the Assistant Commissioner for Patents prior to forwarding to the Abandoned Files Unit.

2022.05 Determination of "Error Without Any Deceptive Intention"

If the application is a reissue application, the action by the examiner may extend to a determination as to whether the "error" required by 35 U.S.C. 251 has been alleged and shown. Further, the examiner should determine whether applicant has *averred* in the reissue oath or declaration, as required by 37 CFR 1.175(a)(6), that said "errors" arose "without any deceptive intention." However, the examiner should not comment or question as to whether in fact the averred statement as to lack of deceptive intention appears correct or true. See §§ 1414.04 and 1444. If any question of conduct exists, the application should be referred to the Office of the Assistant Commissioner for Patents pursuant to § 2020.03.

2029 Examination as to Issues Relating to 37 CFR 1.56(c)

On receipt of an application containing issues relating to § 1.56(c), the application will be examined as to such issues, normally without deferment of such consideration, by the Office of the Assistant Commissioner for Patents (see § 2019). The § 1.56(c) questions are first investigated so that the Office has as many facts of record as possible in deciding the issues. This investigation commonly includes a requirement for information where the initial investigation indicates the necessity or desirability of acquiring further information (note §§ 2021.04 and 2031, and § 1.56(i)). During the examination for compliance with § 1.56(c) the application may be remanded to the Primary Examiner for opinion(s) as to materiality, or for further action where appropriate.

Where the investigation reveals that sufficient facts and information are present to warrant striking the application under § 1.56(c), an order to show cause may be issued; see § 2032. If no satisfactory answer to the "order to show cause" is received or if the prima facie case is not overcome, a decision striking the application under 37 CFR 1.56(c) may be issued. Where the "order to show cause" is adequately rebutted or the prima facie case shown not to exist, a "decision refusing action under 37 CFR 1.56(c)" will normally be entered. See § 2050.

2030 Examination as to Issues of "Fraud" or Violation of the Duty of Disclosure [R-3]

An application containing issues of "fraud" ◊, "inequitable conduct"◊ or "violation of the duty of disclosure" will be returned to the Office of the Assist-

ant Commissioner for Patents for examination of * * * ▶these◀ issues after close of prosecution as to all other matters before the examiner, or when the application is otherwise ready for consideration by the Board of ▶Patent◀ Appeals ▶and Interferences◀ (see 37 CFR 1.56(e)). If any issues required earlier action they would have been treated upon the initial referral and review pursuant to §§ 2020.03 and 2021. The requirement of § 2020.03 to initially refer the application to the Office of the Assistant Commissioner for Patents as soon as an issue of "fraud" ▶, "inequitable conduct"◀ or "violation of the duty of disclosure" is identified should not be overlooked by the examiner. "Fraud" ▶, "inequitable conduct"◀ and "duty of disclosure" questions are first investigated so that the Office has as many of the facts of record as possible in deciding the issues.

See §§ 2031 and 2033.

Examination Where Primary Examiners Has Closed Prosecution Without Appeal

When the Primary Examiner concludes examination without appeal to the Board of ▶Patent◀ Appeals ▶and Interferences◀, i.e., when all matters other than examination for compliance with paragraph (d) of § 1.56 are resolved without appeal, the Primary Examiner will close the prosecution of the application on the merits using the language set forth in §2022.03. The application will then be returned to the Office of the Assistant Commissioner for Patents, where the prosecution of the application will be reopened to the extent necessary to conduct the examination for compliance with § 1.56(d), including any appeal pursuant to § 1.191. See § 1.56(e). Prior to reopening the prosecution applicant may be required under § 1.56(i) to supply information pursuant to § 1.56(a) in order for the Office to decide any issues present; see § 2031. If it is determined that a rejection pursuant to §1.56(d) is required, the prosecution of the application will be reopened in order to make such a rejection; see § 2033. During the examination for compliance with § 1.56(d) the application may be remanded to the Primary Examiner for opinion(s) as to materiality or other matters, or for further action where appropriate. An appeal to the Board of ▶Patent◀ Appeals ▶and Interferences◀ may be taken from any decision finally rejecting the claims pursuant to § 1.56(d), or wherein the claims have been twice rejected; see § 1.191. The normal appeal procedures will be followed. If it is concluded that no rejection for failure to comply with § 1.56(d) is appropriate, a decision refusing action under 37 CFR 1.56 will be mailed to applicant; see § 2050. The application will then be returned to the Examining Group Director for appropriate action by the Primary Examiner; see § 2051.

Examination Where Primary Examiner's Rejection Has Been Appealed

Where the Primary Examiner's rejection has been appealed to the Board of ▶Patent◀ Appeals ▶and Interferences◀, the Primary Examiner will have suspended the appeal (see § 2022.03) prior to the application being returned to the Office of the Assistant Commissioner for Patents for examination for compliance with § 1.56(d). If the appeal has not been so suspended, the appeal will normally be suspended in the first communication by the Office of the Assistant Commissioner. Prior to removing the suspension of the appeal, applicant may be required under § 1.56(i) to supply information pursuant to § 1.56(a) in order for the Office to decide any issues present; see § 2031. During the examination for compliance with § 1.56(d), the application may be remanded to the Primary Examiner for opinion(s) as to materiality or other matters, or for further action where appropriate. If it is determined that a rejection pursuant to § 1.56(d) is required, the decision rejecting the claims will, in accordance with § 1.193(c), constitute a supplemental examiner's answer introducing a new ground of rejection and removing the suspension of the appeal ▶: note, for example, In re Jerabek, 229 USPQ 530 (Fed. Cir. 1986, wherein the Court of Appeals for the Federal Circuit affirmed the Board of Appeals decision sustaining the Special Programs Examiner's rejection of all claims, upon examination pursuant to 35 U.S.C. 131 and 132 as provided in 37 CFR 1.56(d), for violation of duty of disclosure, which rejection was set forth in a Supplemental Examiner's Answer under 37 CFR 1.193(c)◀. Appellant's reply to the new ground of rejection will be due within two months from the date of the supplemental examiner's answer. Such reply will be considered and responded to as necessary. Appellant may file a reply brief directed to any such response within one month of the date of the response or within such other time as may be set in the response. See § 1.193(c). If it is concluded that no rejection for failure to comply with § 1.56(d) is appropriate a decision refusing action under 37 CFR 1.56 will be mailed to appellant. That decision will also remove the suspension of the appeal and the application will be forwarded to the Board of ▶Patent◀ Appeals ▶and Interferences◀ for decision on the appeal.

2031 Requirement for Information

The investigation (see §§ 2029 and 2030) by the Office of the Assistant Commissioner For Patents has normally been by means of "Requirements for Information" in the form of a written set of questions sent to the applicant and/or others which require or request information. Such "Requirements for Information" are provided for in general by 35 U.S.C. 132, and with respect to reissues specifically by 37 CFR 1.175(b).

In conformance with existing Office practice, 37 CFR 1.56 was amended effective July 1, 1982 to include subsection (i) which provides,

> (i) The Office may require applicant to supply information pursuant to paragraph (a) of this section in order for the Office to decide any issues relating to paragraphs (c) and (d) of this section which are raised by a petition or a protest, or are otherwise discovered by the Office.

New paragraph (i) provides for the Office requiring the applicant to supply information pursuant to para-

graph (a) of § 1.56 in order for the Office to decide any issues relating to paragraphs (c) and (d) of § 1.56, whether or not such issues arise as a result of a petition or a protest, or arise from other sources, e.g., an examiner discovering the issue while studying the application file. Any requirements for information under new paragraph (i) will be ex parte in nature between the Office and the applicant. The ex parte nature of the requirements for information under new paragraph (i) differs from past practice under which information was required, or requested, from applicant and one or more petitioners or protestors in some cases.

Where the examination reveals the need for more information or that more information would be necessary or appropriate, additional "Requirements for Information" may be necessary.

2031.01 Form of Response

Where the "Requirement for Information" contains questions directed to applicant's registered attorney or agent, the answers supplied by counsel may be over counsel's signature. Where questions are directed to persons other than applicant's registered attorney or agent, the answers are required to be in the form of affidavits or declarations. Responses should be directed to the attention of the Office of the Assistant Commissioner for Patents.

2031.02 Time for Response

The "Requirement for Information" will normally set a time for response, usually one or two months depending on the nature of the questions and the status of the applications, e.g., reissue, litigation stayed, etc. The time may be extended up to four months as provided in 37 CFR 1.136(a), if a petition for an extension of time and the fee set in § 1.17 are filed prior to or with the response. However, for requirements in reissue applications wherein the patent sought to be reissued is involved in litigation *and* applicant has been notified in an Office action that an extension of time cannot be obtained under § 1.136(a), any extension of time to respond must be obtained under § 1.136(b), which request will only be granted for sufficient cause; see § 710.02(e).

2032 Order To Show Cause

Where the investigation reveals a prima facie case exists that the oath or declaration was signed in blank, or without review thereof and of the specification, including the claims, or that the application filed in the Office was altered after signing of the oath or declaration; an "Order To Show Cause" why the application should not be stricken under 37 CFR 1.56(c) may be issued. Note §§ 2005 and 2006.

2032.01 Time for Response

A time for response will be set in the "Order to Show Cause", usually two months.

2032.02 Effect of Failure To Respond

Failure to respond or the filing of an insufficient response may result in or necessitate a decision striking the application from the files in accordance with 37 CFR 1.56(c), or a holding of the application abandoned, as appropriate.

2033 Rejection Under 37 CFR 1.56(d) [R-3]

Where the investigation reveals that a prima facie case of "fraud" ◆, "inequitable conduct"◆ or "violation of duty of disclosure" exists, all the claims of the application will be rejected upon examination pursuant to 35 U.S.C. 131 and 132 on the ground that applicant is not entitled to a patent under the law. This occurs if it is established by clear and convincing evidence (1) that any "fraud ◆", or "inequitable conduct"◆ was practiced or attempted on the Office in connection with the application, or in connection with any previous application upon which the application relies, or (2) that there was any "violation of the duty of disclosure" through bad faith or gross negligence in connection with any previous application upon which the application relies. Under amended paragraph (d), any rejection which would be made would include all the claims in the application.

For purposes of § 1.56(d), a reexamination proceeding on a patent would be considered as being "in connection with the application" insofar as consideration of any subsequent reissue application is concerned. The phrase also includes within its scope the mere refiling of the subject matter of an application in another application without relying in the second application upon the first application. Thus, an appropriate rejection upon examination pursuant to 35 U.S.C. 131 and 132 based on conduct or actions proscribed by § 1,56(d) could not be avoided merely by refiling the subject matter of the application in a second or subsequent application which did not rely upon the earlier application. The phrase "in connection with any previous application upon which the application relies" is intended to include all applications upon which the application under consideration relies, either directly or indirectly. For example, an application to reissue a patent obviously relies upon the application which resulted in the patent sought to be reissued. Likewise, continuation applications, continuation-in-part applications, and divisional applications also rely upon one or more parent applications.

STANDARD OF PROOF

The standards used in rejecting claims under § 1.56(d) as amended effective July 1, 1982 are the same as those utilized by the Commissioner in striking applications pursuant to § 1.56(d) prior to July 1, 1982, i.e., clear and convincing evidence of "fraud ◆", "inequitable conduct"◆ or any "violation of the duty of disclosure" through bad faith or gross negligence; see § 2040.01.

NO CLAIMS PREVIOUSLY REJECTED

Where the investigation reveals that a rejection under § 1.56(d) is proper, and claims in the application have not previously been rejected, the prosecution will be reopened (if not previously reopened) and all the claims in the application so rejected. If after consideration of applicants response to said rejection, it is

determined that the rejection has not been overcome or adequately rebutted, or the facts and information remain such as to warrant rejection, a second normally final rejection will be given. Applicant may appeal from said second rejection, whether final or not, as provided in §1.191(a).

CLAIMS PREVIOUSLY REJECTED BUT REJECTIONS OVERCOME

Where the Primary Examiner has previously rejected any or all of the claims in application on any grounds, e.g., unpatenability over prior art, but such rejection has been overcome, and the investigation by the Office of the Assistant Commissioner for Patents reveals a rejection upon examination pursuant to 35 U.S.C. 131 and 132 for violation of § 1.56(d) is warranted, a rejection of all the claims on that ground will be given. Applicant can reply to such rejection under § 1.111 or may appeal such final rejection as provided by §1.191(a).

APPLICATION OTHERWISE READY FOR CONSIDERATION BY BOARD OF ▶PATENT◀ APPEALS ▶AND INTERFERENCES◀

Where the application is otherwise ready for consideration by the Board of ▶Patent◀ Appeals ▶and Interferences◀, and for example, appellant's reply brief pursuant to § 1.193(b) has been received, the appeal will be suspended and the application forwarded to the Office of the Assistant Commissioner for Patents for examination pursuant to § 1.56(d); see § 1.56(e). As provided in § 1.56(e), where an appeal has already been filed based on a rejection of any or all claims on other grounds, any rejection under § 1.56(d) shall be treated in accordance with § 1.193(c). Paragraph (c) of § 1.193 provides that any decision rejecting claims pursuant to § 1.56(d) in an application already on appeal from a rejection based on other grounds shall constitute a supplemental examiner's answer introducing a new ground of rejection and removing the suspension of the appeal introduced pursuant to § 1.56(e) ▶note In re Jerabek, supra◀. Prior to entering any such supplemental examiner's answer under paragraph (c), the Office may require information from applicant pursuant to paragraph (i) of § 1.56. Under paragraph (c) of § 1.193, the appellant may file a reply to the supplemental examiner's answer. Paragraph (c) provides that the appellant's reply to the supplemental examiner's answer will be considered and responded to as necessary with appellant being provided with an additional month, or such other time as may be set, within which to reply to any such response from the Office. After introduction of a supplemental examiner's answer pursuant to paragraph (c) and any replies and response thereto, the application will be forwarded to the Board of ▶Patent◀ Appeals ▶and Interferences◀ for consideration.

2040 Striking and Rejecting Applications Under 37 CFR 1.56(c) and 1.56(d), Respectively [R-3]

DUTY OF COMMISSIONER

The Commissioner, by statute (35 U.S.C. 131), is responsible for issuing patents. This responsibility includes a duty to refuse patents in appropriate circumstances. This duty was explicitly stated by the Court of Appeals for the District of Columbia in Drawbaugh v. Seymour, Commissioner of Patents, 1896 CD 527, 534, 535 as follows:

"It is the duty of the Commissioner of Patents, representing the public, and also the private rights of the inventor involved in the pending application, as well as all other inventors having the sanction of the Patent Office, to see that entire justice be done to all concerned. The law has provided certain official agencies to aid and advance the work of the Patent Office, such as the Primary Examiners, the Examiners of Interferences, and the Examiners-in-Chief; but they are all subordinate, and subject to official direction of the Commissioner of Patents, except in the free exercise of their judgments in the matters submitted for their examination and determination. The Commissioner is the head of the Bureau, and he is responsible for the general issue of that Bureau. If, therefore there may be any substantial, reasonable ground, within the knowledge or cognizance of the Commissioner, why the patent should not issue, whether the specific objection be raised and acted upon by the Examiners or not, it is his duty to refuse the patent. . . . "

Thus, when the patent should not issue for "any substantial, reasonable ground, within the knowledge or cognizance of the Commissioner," "it is his duty to refuse the patent."

37 CFR 1.56

Section 1.56(c) provides that

Any application may be stricken from the files if: (1) An oath or declaration pursuant to § 1.63 is signed in blank; (2) An oath or declaration pursuant to § 1.63 is signed without review thereof by the person making the oath or declaration; (3) An oath or declaration pursuant to § 1.63 is signed without review of the specification, including the claims, as required by § 1.63(b); or (4) The application papers filed in the Office are altered after the signing of an oath or declaration pursuant to § 1.63 referring to those application papers.

Thus, the authority to strike by the Commissioner is discretionary in such cases if there is no "fraud" present. As noted in §§ 2005 and 2006 the Office considers this at least serious misconduct.

Section 1.56(d) provides:

(d) 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 gross negligence. The claims in an application shall be rejected if upon examination pursuant to 35 U.S.C. 131 and 132, it is established by clear and convincing evidence (1) that any fraud was practiced or attempted on the Office in connection with the application, or in connection with any previous application upon which the application relies, or (2) that there was any violation of the duty of disclosure through bad faith or gross negligence in connection with the application, or in connection with any previous application upon which the application relies.

Thus, where it is established by clear and convincing evidence that "fraud" was practiced or attempted on the Office, the application *must* be rejected. Similarly, where there is clear and convincing evidence of any violation of duty of disclosure through bad faith or gross negligence, the application *must* be rejected.

This parallels the power of the courts to hold a patent unenforceable for less than intentional fraud, e.g., for ◆bad faith", inequitable conduct" or "◆ gross negligence: see Norton v. Curtiss, 433 F.2d 779, 167 USPQ 532 (C.C.P.A. 1970) ◆; J.P. Stevens & Co. v. Lex Tex, Ltd., 223 USPQ 1089, 1092–1093 (Fed. Cir. 1984)◆

COMMISSIONER'S AUTHORITY TO STRIKE AND REJECT APPLICATIONS

The Commissioner's authority to strike and reject applications rests upon 35 U.S.C. 6 and 37 CFR 1.56, established pursuant thereto. The authority has not been questioned by the courts. See Norton v. Curtiss, 433 F.2d 779, 167 USPQ 532, 542, (C.C.P.A. 1970) and cases cited therein.

That the Commissioner's authority to strike applications parallels that of the courts to hold patents invalid or unenforceable for "fraud" or "inequitable conduct", is treated at length by the Court of Custom and Patent Appeals in Norton v. Curtiss, 167 USPQ 532. The court found that a finding of "fraud" could be made within the Office without a prior such finding by the court (page 542).

At page 543, the court stated

"that any conduct which will prevent the enforcement of a patent after the patent issues should, if discovered earlier, prevent the issuance of the patent. The only rational interpretation of the term fraud in Rule 56 which could follow is that the term refers to the very same types of conduct which the courts in patent infringement suits, would hold fraudulent."

◆See In re Jerabek, 229 USPQ 530 (Fed. Cir.1 1986) wherein the Court of Appeals for the Federal Circuit affirmed a Board decision sustaining the Special Program Examiner's rejection of all reissue claims, upon examination pursuant to 35 U.S.C. 131 and 132 as provided in 37 CFR 1.56(d), for violation of duty disclosure.◆

2040.01 Standard of Proof [R–3]

37 CFR 1.56(d) sets forth:

"The claims in an application shall be rejected if upon examination. . . ., it is established by *clear and convincing evidence* that any fraud was practiced or attempted on the Office. . . . (emphases added).

See Norton v. Curtiss, 167 USPQ 532, at 546, 547, and, for example, In re Gabriel, 468 USPQ 468, 470 (Comr, Pats. 1978); note also Digital Equipment Corp. v. Diamond, 210 USPQ 521, at 538 (1st Cir. 1981). Chief Judge Markey speaking for the Court of Appeals for the Federal Circuit in Environmental Designs, Ltd. v. Union Oil Co. Cal., 218 USPQ 865, 870 (1983) found the necessary standard of proof to be "by clear and convincing evidence." ◆As stated by the Court in American Hoist & Derrick v. Sowa & Sons, 220 USPQ 763, at 770 (Fed. Cir. 1984),

"Neither does the *standard* of proof change; it must be clear and convincing evidence or its equivalent, by whatever form of words it may be expressed" (emphasis in original).◆

2040.02 Collateral Estoppel [R–3]

Where a patent has been held by a court to be invalid or unenforceable because of "fraud" ◆, "inequitable conduct"◆ or "violation of the duty of disclosure," an application for reissue of such patent may be rejected under 37 CFR 1.56 under the doctrine set forth in Blonder-Tongue, Inc. v. University of Illinois Foundation, 402 U.S. 313, 169 USPQ 513 (Sup.Ct. 1971); see In re Kahn, 202 USPQ 772, 773 (Comr.Pats. 1979) wherein a reissue application was "stricken under 37 CFR 1.56 via the doctrine of collateral estoppel as set forth in Blonder-Tongue, supra." See also § 2012.01

2048 Decision Striking Application Under 37 CFR 1.56(c) or Refusing Action Under 37 CFR 1.56(c)

DECISION STRIKING APPLICATION UNDER 37 CFR 1.56(c)

If no satisfactory answer to the "Order to Show Cause" is received, or if the prima facie case has not been overcome (see § 2032), the application may be stricken in accordance with 37 CFR 1.56(c).

DECISION REFUSING ACTION UNDER 37 CFR 1.56(c)

If a prima facie case of violation of § 1.56(c) does not exist, or the alleged violation is adequately rebutted, a decision will be entered in the application file refusing action under 37 CFR 1.56(c).

2050 Decision Rejecting Application Under 37 CFR 1.56(d) or Refusing Action Under 37 CFR 1.56(d) [R–3]

DECISION REJECTING APPLICATION UNDER 37 CFR 1.56(d)

If a prima facie case of "fraud" ◆, "inequitable conduct"◆ or "violation of the duty of disclosure" exists, the application will be rejeced under 37 CFR 1.56(d). The applicant must reply to said rejection in order to avoid abandonment of the application for non-response—see § 1.111. In applications where the claims have been previously rejected on other grounds all of which grounds have been overcome, applicant may appeal the rejection under 37 CFR 1.56(d) as provided in § 1.191(a), even though not a final rejection. In applications where claims have been previously rejected on other grounds and said previous rejections are now under appeal, the rejection under 37 CFR 1.56(d) shall, as provided in § 1.193(c), constitute a supplemental examiner's answer introducing a new ground of rejection ◆: note In re Jerabek, 229 USPQ 530 (Fed. Cir. 1986) wherein the Court of Appeals for the Federal Circuit affirmed the Board decision sustaining the Special Program Examiner's rejection of all claims, upon examination pursuant to 35 U.S.C. 131 and 132 as provided in 37 CFR 1.56(d), for violation of duty of disclosure, which rejection was set forth in a Supplemental Examiner's Answer under 37 CFR 1.193(c)◆. The appellant may, as provided under 37 CFR 1.193(b), file a reply brief thereto within two months from the date of such answer. See § 1208.01.

DECISION FINALLY REJECTING APPLICATION UNDER 37 CFR 1.56(d)

If no satisfactory answer to a rejection under 37 CFR 1.56(d) is received, or if the prima facie case of

"fraud" ◆, "inequitable conduct"◆ or "violation of duty of disclosure" is not overcome, the application will normally be finally rejected.

DECISION REFUSING ACTION UNDER 37 CFR 1.56

If a prima facie case of "fraud" ◆, "inequitable conduct"◆ or "violation of the duty of disclosure" does not exist, or the alleged "fraud" ◆, "inequitable conduct"◆ or "violation of the duty of disclosure" is adequately rebutted, a decision will be entered in the application file stating that the Office has found no clear and convincing evidence of "fraud" ◆, "inequitable conduct"◆ or "violation of the duty of disclosure" necessitating rejecting the application under 37 CFR 1.56(d).

2051 Action After Resolution of Issues Under 37 CFR 1.56 (c) or (d) in Favor of Patentability [R-3]

When all the issues under 37 CFR 1.56(c) or 1.56(d) have been *decided* in favor of patentability, e.g., after a decision not to reject or strike, the application will be returned from the Office of the Assistant Commissioner for Patents to the examining group for immediate action by the examiner. The examiner will take such action as may be appropriate, and ◆if and◆ when all remaining issues have been resolved in favor of applicant, will prepare and pass the application for issue.

2052 Action After Application is Stricken or Rejected; or Abandoned With Issues of Fraud ◆, Inequitable Conduct◆ or Violation of the Duty of Disclosure Unresolved

An application which has been stricken or rejected pursuant to 37 CFR 1.56 may be referred to the Office of ◆Enrollment and Discipline◆ for consideration of any matters relating to the conduct of an attorney or agent. See 37 CFR 1.344, 1.346, and 1.348. Similarly, an application abandoned prior to resolution of issues present or raised pursuant to 37 CFR 1.56 may also be referred to the Office of * * * ◆Enrollment and Discipline◆.

2053 Published Office Decisions Relating to 37 CFR 1.56 [R-3]

In both In re Altenpohl, 198 USPQ 289 (Comr. Pats. 1976), upheld in District Court for the District of Columbia—Altenpohl v. Diamond (May 12, 1980) BNA PTCJ No. 483, page A-12 (June 12, 1980), and In re Stockebrand, 197 USPQ 857 (Comr. Pats. 1978); upheld in District Court for Massachusetts—Digital Equipment Corp. v. Parker, 206 USPQ 428 (1980); and later reversed by the Court of Appeals for the First Circuit—Digital Equipment Corp. v. Diamond, 210 USPQ 521 (1981). the Office found a failure to comply with the duty of disclosure and the reissue applications involved were stricken.

In each of the cases, In re Gabriel, 203 USPQ 463, 468 (Comr. Pats. 1978), In re Kubicek, 200 USPQ 545 (Comr Pats. 1978), In re Cebalo, 201 USPQ 395 (Comr. Pats. 1977), and In re Lang, 203 USPQ 943 (Comr. Pats. 1979), (Note also Carter v. Blackburn, 201 USPQ 544 (Bd. Pat. Intf. 1976)) the Office found no necessity to strike the applications pursuant to 37 CFR 1.56.

◆In In re Jerabek, 229 USPQ 530 (Fed. Cir. 1986) the Court of Appeals for the Federal Circuit affirmed the Board decision sustaining the Special Program Examiner's rejection of all claims upon examination pursuant to 35 U.S.C. 131 and 132 as provided in 37 CFR 1.56(d), for violation of duty of disclosure.◆