

US PATENT APPLICATIONS - THIRD PARTY OBSERVATIONS?

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On 16 September 2012 new US rules regarding third party observations will take effect. The rules stem from the Preissuance Submissions by Third Parties Provision of the Leahy-Smith America Invents Act 2011, and will apply to any patent applications that are pending as at 16 September 2012.

Making observations

Codified in 35 USC § 122(e), the new US rules provide that any third party may submit printed publications of potential relevance to a patent application for consideration by the US Patent Office and inclusion on the record.

Submissions can be made anonymously, and must:

- Be filed before an application is allowed.
- For applications that have not been allowed, be filed before the later of six months after the date of publication or the date of the first rejection on the merits.
- Be accompanied by a "concise description of the asserted relevance of each submitted document".
- Be accompanied by the relevant fee (proposed as US\$180 for up to 10 documents, though will be exempted where for a first submission by a third party which includes less than four documents).

Although third party observations are not a new addition to US law, it seems that the provisions of 35 USC § 122(e) will be more workable than the existing third party observation mechanism provided under 37 CFR § 1.99.

For example, unlike the new provisions, §1.99 expressly prohibits an observer from submitting any explanation or information in respect of the documents provided. In addition, the time allowed to lodge observations under the new rules is more generous than the window provided under §1.99 (which was two months from the date of publication).

Comparison with Australian law

Australian patent law also provides third parties with the ability to submit information of relevance to a pending patent application, or an uncertified innovation patent.

In comparison to the US provisions, Australian law does not prescribe an official fee for lodging observations. Australian law is also more generous with respect to when observations can be lodged: for a standard Australian patent application observations may be lodged any time between publication and three months after the application is advertised as accepted; for an innovation patent observations may be lodged any time between publication and certification; and observations can be lodged after the issue of an examination report.

Arguably, however, more substantive differences between Australian and US third party observations will stem from the broader patent context rather than the mechanics of making observations.

For example, under Australian law it is generally not possible to interpret a granted patent on the basis of amendments or arguments made during prosecution. This is in contrast to the well established doctrine of file wrapper estoppel in the US, where amendments and arguments led

during prosecution can have a significant effect on claim construction and scope. As such, forcing even an ostensibly minor amendment in the US can be of great value.

For and against

In terms of broader strategy, the considerations of whether or not to lodge third party observations in the US or Australia (or, likely, any other jurisdiction) are largely the same.

In favour of the process is the fact that it is an inexpensive way to draw prior art to the attention of the patent office.

Weighing against this, however, are a number of potential disadvantages. The most salient of these, arguably, is that by lodging observations (even if anonymously) the patent applicant is put on notice of the third party's interest. This may increase the applicant's motivation to secure the broadest possible rights, and/or trigger the filing of divisional applications that may not otherwise have been filed.

A related disadvantage is that generally speaking the ability to amend a patent application before acceptance/allowance is greater than the ability to do so afterwards. In some circumstances, therefore, waiting to alert a patentee to relevant prior art until more restrictive amendment (and divisional) provisions apply can have a greater impact.

Another disadvantage is that although comments as to the relevance of any submitted document can be made at lodgement, once the observations have been submitted no further contribution can be made by the third party. The risk, therefore, is that despite the written submissions on the relevance of the art, the examiner may not fully grasp its relevance, or be dissuaded of its relevance by counter argument from the patent applicant.

To lodge or not to lodge

Ultimately, whether or not to lodge third party observations or not will depend on the individual circumstances, and whether alternative options for challenging a patent – either pre or post grant – are more appropriate.

Lodgement may, for example, be appropriate where the prior art in consideration goes to novelty (or very straight forward obviousness arguments), and the desired outcome is to have the claims narrowed so as to not cover a specific product or process. This narrowing may be by actual claim amendment or, in the US, by forcing the applicant to put arguments on file that impact on how the claims will be construed.

On the other hand, lodgement is unlikely to be appropriate if the prior art is not straight forward and the ability to remain involved in the process (and lead additional arguments) would be beneficial. In this case alternative challenge avenues which are not ex-parte may well be more appropriate.

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