

CGO IPD

Carlson, Gaskey & Olds
Intellectual Property Developments

NEW WEB-BASED FILING SYSTEM

In March, the USPTO launched a new **electronic filing** system (EFS-Web) to expedite the application process and improve accuracy. The EFS-Web system offers a number of advantages. It is now possible to submit documents by attaching PDF files. Filers can also pay filing fees using the electronic system. The previous electronic filing system of the USPTO required using special software that made the process somewhat cumbersome.

EFS-Web submissions are automatically processed within the PTO. Patent filers receive rapid access to their applications through the Patent Application Information Retrieval (PAIR) system, which allows filers to view the submissions and confirm that documents have been securely and accurately received. EFS-Web also offers visual proof that applications and documents have been received in the form of an automatic electronic receipt.

CHANGES IN PATENT SEARCH FEE REFUND

Effective in March, the PTO implemented a **provision** to refund the search fee for applicants that file a written declaration of express abandonment before an examination of the application on the merits under 35 U.S.C. §131. The provision also will refund excess claim fees for claims that are cancelled before an examination.

Pendency, or the delay before examination, has been increasing. Thus, during pendency, an application may become obsolete or prove less valuable than originally thought. The new

provision allows an applicant to recover some of the filing fees in such a case. The search fee is \$500 for a large entity and \$250 for a small entity (less than 500 employees).

The PTO recommends that petitions under §1.138(d) be submitted by facsimile to (703) 305-8568 using the Office's "Petition for Express Abandonment to Obtain a Refund" form (PTO/SB/24B) to avoid delays in receiving and processing the petition under §1.138(d).

ARE THE DAYS NUMBERED FOR OBVIOUSNESS AS WE KNOW IT?

Last year, the Court of Appeals for the Federal Circuit (“CAFC”) addressed §103(a) obviousness in *Teleflex v. KSR*. The district court concluded that the patent examiner would have rejected the patent claim based upon a §103(a) combination using one of the references (Asano) cited in KSR’s motion for summary judgment. The CAFC agreed with Teleflex that the district court did not apply the correct “teaching, suggestion, or motivation” test in making the obviousness determination.

The Supreme Court is now considering a petition for certiorari in *Teleflex* to review the “teaching, suggestion, or motivation” test for obviousness. The Court invited the Office of the Solicitor General to submit a brief in the case, and several parties have petitioned the Court for leave to file an amicus brief. If the Court takes the case, there is a possibility that the decision could significantly change the judicially created obviousness test. We will report more on this case as it develops.

IS THERE A BRIGHT LINE RULE ON THE WRITTEN DESCRIPTION REQUIREMENT?

Recently, the Court of Appeals for the Federal Circuit (“CAFC”) **denied** a petition to rehear *en banc* its decision in *Lizardtech*. In late 2005, the CAFC invalidated claims that are broader than the only disclosed embodiment for failure to satisfy the requirements of 35 U.S.C. §112, paragraph 1. The opinion appears to be at odds with, for example, *JVW* and *Phillips*, which interpreted claims to be broader than the specification and valid.

In *Lizardtech*, several of the independent claims included a step of “maintaining updated sums” to form a “seamless discrete wavelet transform (DWT).” An independent claim lacked the step of “maintaining updated sums” and was interpreted to generically cover all seamless DWTs. The specification described a single embodiment for obtaining a seamless DWT, which included the step of “maintaining

updated sums.” The CAFC determined that the disclosed method did not contemplate a more generic way of obtaining a seamless DWT and invalidated the generic claim on the ground that the specification did not provide adequate support for the claim.

The CAFC acknowledged that a claim is not invalid just because a specification does not include “examples explicitly covering the full scope of the claim language.” The court concluded, however, that in this case, the specification did not convey to one skilled in the art how to obtain a seamless DWT except by maintaining updated sums. The claim was not enabled because it did not include that step. The CAFC also determined that the single embodiment did not convey that the inventor had invented obtaining a seamless DWT in a generic sense but only doing so by maintaining updated sums.

When explaining its decision, the CAFC poses a hypothetical that provides very little guidance for what constitutes an adequate written description. The court only said that a patentee cannot always satisfy the written description requirements by disclosing one example embodiment. They did not provide a bright line rule for deciding when one does and when one does not.

The CAFC was not persuaded by Lizardtech's argument that the invalidated claim was part of the originally filed application and, therefore, constituted enough of a description to satisfy §112. The court's only comment on that argument is that nothing in the claim or the specification constitutes an adequate and enabling written

description of all seamless DWTs. The CAFC has left it ambiguous why a claim like the one in *Lizardtech* and the hypothetical posed by the CAFC in that case are invalid while other claims having a scope broader than the explicit details of the specification would be valid under *JVW* and *Phillips*.

It remains to be seen what role, if any, *Lizardtech* will serve in shaping the written description requirement or if it will be followed in other cases. *Lizardtech* does, however, serve as a reminder of the continuing importance of drafting a specification so that it is natural to apply the claims to embodiments other than those specifically disclosed in the application.

CONGRESS IS CONSIDERING SIGNIFICANT PATENT LAW CHANGES

As we reported in our last newsletter, Rep. Lamar Smith (R-TX) introduced the Patent Reform Act of 2005 to Congress in June, 2005. In early April of this year, Rep. Smith announced further hearings on this pending legislation. On the same day, Rep. Howard Berman (D-CA) and Rep. Rick Boucher (D-VA) introduced H.R.5096 - the **“Patents Depend on Quality Act”** or “PDQ” Act.

The PDQ Act at least initially appears to be a pared-down version of the Patent Reform Act of 2005. Notably, the PDQ Act would:

- Modify 35 U.S.C. §283 to clarify the elements that a trial court must weigh when evaluating whether an injunction is “in accordance with the principles of equity,”
- Require all patent applications be published after 18 months,
- Amend 35 U.S.C. §284 to increase the burden of proving willful infringement

Unlike the Patent Reform Act of 2005, the PDQ Act does not:

- Propose changes to the existing first-to-invent system,
- Modify the best mode requirement of §112,
- Include a provision allowing an assignee to file patent applications.

The Patent Reform Act of 2005 and the PDQ Act remain under discussion. We will report further on the status of both bills as new information becomes available.

The information contained in this publication is provided for information purposes only and does not constitute legal advice.

Carlson, Gaskey & Olds is a law firm dedicated to promoting the maximum profitability and market share of our clients by providing counsel and protecting their intellectual property rights. From our offices in Birmingham, Michigan we serve clients from various industries having diverse technology portfolios across the United States and around the world.

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