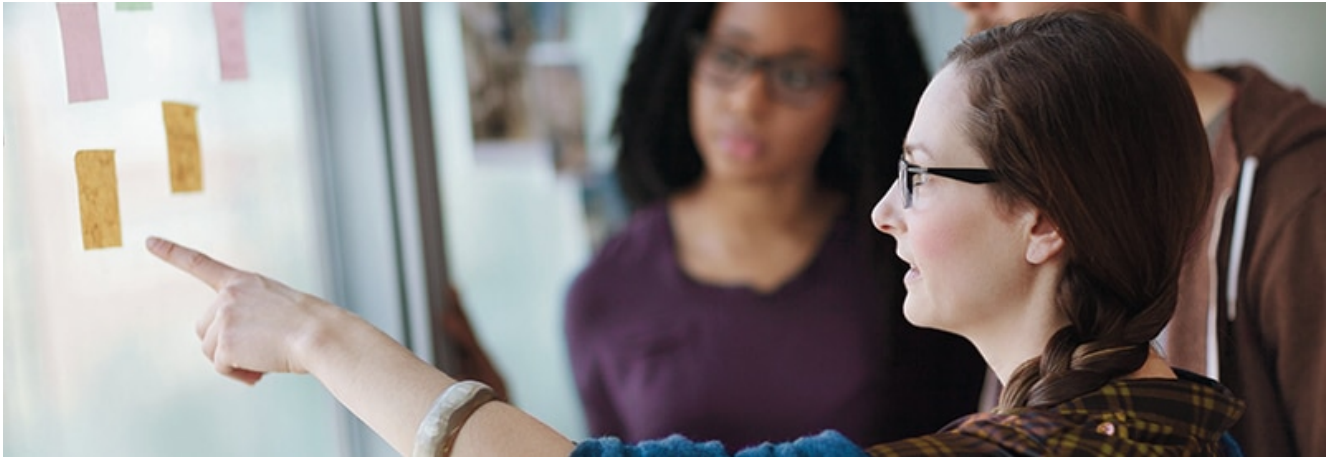


U.S. Patent and Trademark Office 37 CFR Rule 1.56: How Should Patent Applicants Approach Compliance?

by Barbara Courtney | Jan 31, 2020 | Patents, Trademarks and Service Marks



What Is the Rule?

37 Code of Federal Regulations Rule 1.56 (usually referred to as "Rule 56") requires a "duty of disclosure, candor and good faith" on the part of patent applicants. (Read Rule 56 [here](#).). Patent applicants vary from the huge corporation that files hundreds of patent applications per year to the individual inventor, with the small company in between. This article is directed to applicants who are not a huge corporation, but rather startups that have an interest in understanding how Rule 56 applies to them and how to craft policies at an early stage to comfortably assure compliance.

What Is the Rationale for the Rule?

The rule itself states: "A patent by its very nature is affected with a public interest. The public interest is best served, and the most effective patent examination occurs when, at the time an application is being examined, the Office is aware of and evaluates the teachings of all information material to patentability."

The public interest aspect (which could be also stated as the economic aspect) is key to the idea of a patent system. The original constitutional patent grant gives the patent owner a monopoly (for a term) on the sale, manufacture and importation of the patented item. In exchange, the inventor must give the public the fruits of its research and development so that "the public interest" (and the economy) benefits in the long run by having the inventive idea enter the main stream of commerce rather than being hidden because the inventor did not want to give secrets away.

What Does the Rule Require?

To patent practitioners and patent applicants, what Rule 56 requires (briefly stated) is the disclosure to the USPTO of "all information known to that individual to be material to patentability as defined in this section... The duty to disclose information exists with respect to each pending claim until the claim is cancelled or withdrawn from consideration, or the application becomes abandoned." The foregoing is a short quote from the Rule, and it immediately begs a few questions. What is "information"? Who is "that individual"? And what is "material to patentability"?

"Information" means anything that a person involved in the process of filing and prosecuting the patent application (inventors, people in the company that is filing the application who are aware of the filing and its contents, patent attorney, and others) is aware of that is "material to patentability as defined."

"Individual" means a person involved in the process of filing and prosecuting the patent application: inventors, people in the company that is filing the application who are aware of the filing and its content, patent attorneys and others.

"Material to patentability" is arguably the most interpretable term. The definition as stated in Rule 56 is reproduced here:

- (b) Under this section, information is material to patentability when it is not cumulative to information already of record or being made of record in the application, and
- (1) It establishes, by itself or in combination with other information, a prima facie case of unpatentability of a claim; or
- (2) It refutes, or is inconsistent with, a position the applicant takes in:
 - (i) Opposing an argument of unpatentability relied on by the Office, or
 - (ii) Asserting an argument of patentability.

That is a fairly complicated and legalistic definition of materiality. But it is possible to pull one key concept from this definition as explained in the next section.

What Is the "Material Information" Being Compared Against?

The material information is being compared against the claims in the patent application. The claims are themselves required to be framed in extremely formal legalistic language. Many inventors and patent applicants/owners do not read or understand claims—nor should they have to if they have experienced patent counsel. The claims also change throughout the course of the prosecution of the patent application to issuance. So, the USPTO's definition is not so definitive.

Then how should companies plan for compliance with Rule 56?

Planning for Compliance With Rule 56

As a bit of background and history, there have been several approaches to compliance with Rule 56.

Some larger corporations opted to deluge the USPTO with literally hundreds of documents. Examiners found it extremely difficult to read all the documents, as they are required to do. These document dumps even extended to filing each office action communication with the USPTO in the patent application or any related application as a submission in an information disclosure statement.

One can see examples of the issued patents that show page after page of cited references that cannot realistically have been reviewed by USPTO personnel. In addition, it is unlikely that each document submitted met the materiality standard set out in the Rule. I believe the USPTO reacted negatively to that, to the extent they could, given that the Rules were promulgated by the USPTO. The strategy seems to be an easy way to anticipate both the examiner and possible litigants who might attempt to invalidate patents. But I was never a fan.

It seems more thoughtful and efficient to rely on the Rule itself, which requires that material references be cited to the examiner, yet does not require inventors, applicants or owners to do any sort of prior art or clearance search.

All companies should be aware of the Rule and determine at an early stage how inventors should be educated regarding compliance. Often, companies and their patent counsel train inventors to avoid attempting to perform prior art searches or compare their inventions to "what is out there." This is prudent for a couple reasons.

First, inventors are unlikely to be able to easily distinguish material references from non-material references. Second, in the un hoped-for eventuality of litigation that involves the validity of a particular patent, the last thing the company wants to learn is that someone "in the loop" (as defined by the Rule) found a material reference, discussed it in email with colleagues and never brought it to the attention of the attorney.

The way in which the Rule can assert itself in a negative way for patent owners is not in the near term, but usually in litigation regarding a particular patent after issuance. It is not difficult to comply with the Rule. However, communication between experienced patent counsel and clients in the patent application process is essential to assure that each stakeholder understands the Rule and comes to a decision on how to put a sensible compliance policy in place.

MARTENSEN

719-358-2182 | info@MartensenIP.com | www.MartensenIP.com



Contact:

Barbara Courtney

bcourtney@courtneyip.com

719-358-2561

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