THE DUTY OF DISCLOSURE BEFORE THE U.S.P.T.O.:
TO DISCLOSE OR NOT TO DISCLOSE, THAT IS THE QUESTION

David S. Park, B.S., J.D.¹

In contrast to practice before the Turkish Patent Institute (TPI), the European Patent Office (EPO), the Korean Intellectual Property Office (KIPO), and the World Intellectual Property Organization (WIPO), which do not require any disclosure of known prior art for a patent application filing of first instance², the United States Patent and Trademark Office (USPTO) imposes an affirmative duty on a patent applicant to disclose known and material prior art during the life of a patent application. Certain other patent offices, such as the Chinese State Intellectual Property Office (SIPO) and the Japanese Patent Office (JPO), have a low-degree requirement of disclosure. Prior Chinese law required patent applicants to disclose prior art relevant to examination at the time of requesting substantive examination, but under the current law and practice before the SIPO, applicants are only required to submit search reports upon receipt of official notice. Before the JPO, not observing their duty to disclose prior art has no effect on the validity of a patent, thus making the JPO disclosure requirement effectively toothless.

However, in the United States, every named inventor, any assigned owner, as well as the representative patent attorney and firm, are all responsible for supplying the USPTO patent examiner with prior art that is: (1) known or discovered during the course of the prosecution up to the date of patent issuance (37 C.F.R §1.97); and (2) material to patentability (37 C.F.R. §1.56). Current USPTO regulations consider information as material if it is inconsistent with the applicant’s position, if it is not cumulative to information already of record, or if it contributes to a position for unpatentability. U.S. courts have considered as material “any information that a reasonable examiner would be substantially likely to consider important in deciding whether to allow an application to issue as a patent” (Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc., 326 F.3d 1226, 1234 (Fed. Cir. 2003). This requirement to provide known and material prior art is acknowledged as a duty of disclosure to the USPTO, failure of which can lead to unenforceability of the entire issued patent. In U.S. practice, this duty of disclosure may be met by filing a list of prior art references through an Information Disclosure Statement (“IDS”).

There is no duty to actively search for and find prior art, and filing of an IDS is not construed as a representation that a search has been made (37 C.F.R § 1.97). Indeed, some practitioners do not file an IDS at the time of filing an application because they do not know of any particular and material prior art based upon the state of the claims as filed. However, one must disclose what one knows. Failure to advise the USPTO of material prior art known to the inventor, assignee, or patent attorney can result in unenforceability of the patent for “inequitable conduct”, rendering the entire patent useless. Inequitable conduct is established by showing that: (1) the failure was

¹ Senior Associate at Deriş Patents & Trademarks Agency, Istanbul, Turkey; U.S. Patent Attorney and Attorney-At-Law
² Some offices, such as the EPO, may request a copy of results from a search carried out on a priority patent application (EPC, Art. 124, Rule 141).
material (but for the withheld or misrepresented information, the USPTO would not have issued the patent); and (2) the person having a duty to disclose intended to mislead by misrepresenting or failing to disclose the material information (Therasense, Inc. v. Becton, Dickinson & Co., 649 F.3d 1276, 1287 (Fed. Cir. 2011).

It is usually best practice for practitioners to file an IDS when the application is initially filed. The information is most likely to be fresh on the minds of those with the duty to disclose and least likely to be forgotten or misplaced, and completing the IDS at that time should require the least amount of additional work. It is true that some practitioners file an initial IDS after filing the application, but there is little or no benefit in doing so. If possible, it is advantageous to file an IDS before the examiner issues a first Office Action to avoid fees (USD $180 for a large entity) and certification statements that may be required for filing an IDS afterwards.

Compliance with the duty of disclosure can be simple and straightforward. The patent attorney seeks input from the inventor(s) and assignee (if any), reviews the references identified during the application preparation process and in a prior art search (if any), and discloses relevant references to the patent office. Where there has already been a PCT search, the IDS is usually a listing of the citations provided in the PCT International Search Report. Putting together the IDS is fairly straightforward, including filling out USPTO forms PTO/SB/08A and/or PTO/SB/08B or substantially similar substitute forms. Law firm service fees can range from about $100 - $200, depending on the amount of time involved in corresponding with the client, securing copies of cited documents when necessary, and so forth, and the USPTO fee is USD $180 or less per filed IDS, depending upon the timing of filing and entity status.

As noted above, the IDS is submitted on a form from the USPTO or very close substitute form. It is not sufficient to merely identify a known prior art reference(s) in the body of the application specification. In addition, some practitioners include comments that distinguish each of the listed references, but this practice is not recommended. Such comments can be of help to the examiner but is dangerous to the applicant since the IDS and other file history can be used against the patent holder both during prosecution and later on in the event of litigation. In the absence of comments, the mere filing of an IDS is not construed to be an admission that the information cited in the statement is considered to be material to patentability (37 C.F.R § 1.97).

One can file a second, third or other number of IDS during the prosecution of the patent application. Such supplemental filings are usually necessitated by the practitioner receiving prior art references from a related PCT application or from a foreign patent office examining a foreign counterpart application.

For applications with many counterpart foreign applications and/or related applications, compliance with the duty of disclosure can become complicated and difficult. What is deemed material to patentability may also be subjective, as one person’s view on materiality may differ from another. Furthermore, it should be noted the information disclosure is based on what is being claimed, and claim interpretation is another matter unto itself. Accordingly, it is a best practice to submit all the references cited from a foreign patent office or all the relevant references from a state-of-the-art search. Thus, as a general rule, one should disclose all the references cited during PCT or foreign prosecution of the same (or closely related) application. In some situations, a determination of whether or not to submit a reference discovered during the life of a patent application may be required. A patent attorney may be of assistance in making a
determination whether or not a reference is material to patentability and non-cumulative, which would fall under the duty of disclosure.

Although possibly burdensome at times, in particular for an application filed in many countries or an application that has many related applications, information disclosure should be viewed as a benefit, both to the patent office and the inventor. It may help the examiner to find close prior art or to determine the state of the art because examiners are currently being allotted very little time for their prior art searches. Furthermore, disclosure helps the applicant and assignee because all references properly cited to the examiner are listed on the face of the issued patent. If the patent is ever litigated, the courts and juries often give considerable deference to the patent office, and it can be quite difficult to invalidate a patent using prior art that was considered by the patent examiner and listed on the face of the patent. Based upon similar reasoning, if the patent is ever considered for sale or license, many buyers or licensees tend to consider as more valuable a patent that lists more references as considered by the examiner. Thus, a prudent patent attorney would do well to disclose for consideration the known relevant references during the prosecution of an application.

Below are some “pitfalls” to be aware of in satisfying the information disclosure requirement.

- One problematic situation arises when an inventor works for a company that has a large collection of journal articles, patents, or other references concerned with the subject matter of the invention. Technically, all such references may be deemed to fall within the knowledge of the inventor and/or the assignee company, and are subject to being disclosed.

- A similar issue is raised when a patent attorney is drafting a patent application in an area where the attorney has considerable experience. That experience can mean the attorney has numerous close references that were cited against other patent applications, and sometimes even for other clients which can lead to potential conflicts of interest. All of those references should be considered in satisfying the information disclosure requirement.

- Another problem when filing an IDS can be timeliness of the disclosure. The regulations reward disclosure made within three months of the application filing date, or at least before issuance of the first substantive Office Action. As noted above, the safest strategy is to make the disclosure at the time the application is filed. Later disclosures are allowed up to the date of a notice of allowance, and may be needed in view of references identified by the PCT or foreign patent office examiners. Unfortunately, late filings of information disclosures are penalized with an additional fee (37 C.F.R. § 1.17).

- Still another possible pitfall is disclosing too many references. In the past, patent attorneys reportedly disclosed hundreds of references at a time to intentionally bury the important references among a massive number of possibly irrelevant references. That is now prohibited, and the rule is that the disclosure should include all reasonably relevant references that are not cumulative (i.e., duplicative).

- References in languages other than English must be translated. Thus, if one has a patent in French, it is best to search for and submit a corresponding English language patent or publication.

- Be careful not to identify references as prior art. The term "prior art" is a term of art in the patent world, and refers to publications having a filing date earlier than the priority date of the application and that are important to patentability. Identifying a document as prior art is an admission against the applicant’s interest that the document is indeed prior art.