

# IPLS P ROCEEDINGS

STATE BAR OF MICHIGAN

## View From the Chair Who are we and what do we want?

By Denise Glassmeyer

Volume 20 • Issue 1 • 2009

### Table of Contents

|  |    |
|--|----|
| <i>Bilski</i> – Section 101 Gets Its Hedge Trimmed.....  | 3  |
| Winter Seminar.....  | 5  |
| <i>Egyptian Goddess: Filing Down the Design Patent Infringement Test to Ensure a Picture Is Worth a Thousand Words</i> ..... | 6  |
| Practice Tips from the USPTO .....   | 7  |
| Summer Institute .....   | 8  |
| Effective Date of New BPAI Rules Delayed.....  | 9  |
| New Legislation - Prioritizing Resources and Organization for Intellectual Property Act of 2008.....                         | 10 |
| AIPLA's Women in IP Cross Country Dinner .....   | 10 |
| Spring Seminar.....  | 11 |

"The Intellectual Property Section of the State Bar of Michigan provides education, information and analysis about issues of concern through meetings, seminars, the website, public service programs, and publication of a newsletter..."

( from the IP Law Section Mission Statement)

The State Bar of Michigan compiled statistics on the make-up of the IP Law Section as part of its recent demographic study. Like many of you, I am an easy mark for factoids and seemingly useless bits of information. This is particularly true as I prepared my initial contribution as Section Chair

Out of 37,000 members of the State Bar of Michigan, 1036 have chosen to join the IP Law Section, with over 900 of us actually located in this state. We are 22 percent women; 78 percent men. Fifty one percent of us were born after 1960. Those of us who graduated from law schools located in Michigan constitute 66 percent of our membership.

Approximately one quarter of us are employed in corporate counsel positions. Over half of the people involved in private practice (almost 60% of the respondents) report that they practice in "large" law firms.

Our membership places us in top 15 out of 35 SBM sections. Whether we use the SBM figure or the USPTO figures, it appears a safe estimate that IP attorneys make up less than 5 percent of the total SBM membership.

We may be a numerically small percentage of the total membership of the State Bar, but our impact far exceeds these numbers. Over the past several years our section has endeavored to provide three (and sometimes four) different seminars on various aspects of intellectual property law at various locations throughout Michigan. Your Section Council members are the planners and thinkers behind the material you receive at the Annual Summer Institute (now going on 35 years old), the Intellectual Property Spring Seminar and Basic Practice for Paralegals and Attorneys. We also publish this newsletter with the goal of finding and conveying information that has relevance to you.

Continued on next page

## Intellectual Property Law Section 2008-2009 Officers & Council

Chair:

**Denise M. Glassmeyer**

Young Basile Hanlon Macfarlane &  
Helmholdt PC

E-mail: [glassmeyer@youngbasile.com](mailto:glassmeyer@youngbasile.com)

Phone: (248) 649-3333 Fax: (248) 649-3338

Chairperson-Elect:

**Frank A. Angileri**, Southfield

Phone: (248) 226-2829

Secretary-Treasurer:

**Jennifer Sheehan Anderson**, Bloomfield Hills

Phone: (248) 566-8532

### Term Expires 2009:

**Joellen Shortley Blaszczyk**, Pontiac

Phone: (248) 858-2155

**Kevin S. MacKenzie**, Troy

Phone: (248) 647-6000

**David L. Wisz**, Birmingham

Phone: (248) 988-8360

### Term Expires 2010:

**Anne M. Budde**, Troy

Phone: (248) 641-1600

**Julie Voutyras**, Dearborn

Phone: (313) 390-4650

**Donald J. Wallace**, Kalamazoo

Phone: (269) 381-1156

### Term Expires 2011:

**R. Scott Keller**, Grand Rapids

Phone: (616) 752-2479

**Jean M. McCarty**, Novi

Phone: (248) 380-9300

**Eric J. Sosenko**, Ann Arbor

Phone: (734) 302-6000

### Immediate Past Chair:

**Laura M. Slenzak**, Troy

### Commissioner Liaison:

**Robert Fergan**, Ann Arbor

### Proceedings Editors:

**Kevin McKenzie**

Gifford Krass Sprinkle Anderson & Citkowski PC

2701 Troy Center Dr Ste 330

PO Box 7021

Troy, MI 48007

Phone: (248) 647-6000

Fax: (248) 647-5210

E-Mail: [kmackenzie@patlaw.com](mailto:kmackenzie@patlaw.com)

**Anna M. Budde**

Harness Dickey & Pierce Plc

5445 Corporate Dr., Suite 200

Troy, MI

Phone: (248) 641-1600

Fax: (248) 641-0270

E-mail: [ambudde@hdp.com](mailto:ambudde@hdp.com)

## View From the Chair

*Continued from page 1*

In the past few years several key IP decisions have arisen out of cases originating here in Michigan. I submit that this is not a coincidence. Historically Michigan business and Michigan attorneys have played a significant role in shaping the nature and impact of US intellectual property law. What has been true in the past seems likely to remain so in the future.

I began this article with the IP Law Section mission statement. My translation of the mission statement is that it is the job of our section to keep Michigan in the national conversation about IP law. The IP Law Section endeavors to do this by assisting our members in maintaining the highest level of excellence in intellectual property law practice. We remain committed to this goal.

As always, the tricky part lies in execution. Factoids may be amusing but they only go so far in identifying who we are and what we need or want. As fellow section members, please join in this "IP conversation." Let us do our best keep Michigan intellectual property law practice high in the national consciousness. ?

*Denise M. Glassmeyer the Chair of the Intellectual Property Section and is a shareholder with the law firm Young Basile P.C., in Troy, Michigan. Ms. Glassmeyer's practice focuses on patent prosecution with special emphasis on domestic and foreign patent prosecution in chemical, mechanical arts, materials applications, and IP portfolio development.*

## Submissions to IPLS Section

Articles of interest to the membership are actively solicited for publication on the IPLS website. If you have recently researched a topic of interest to our membership, please consider a submission.

Submission deadlines:

- April 10, 2009 for the May issue
- August 10, 2009 for the September issue
- December 10, 2009 for the January 2010 issue

Submissions should be sent to:

Kevin Mackenzie

Gifford Krass Sprinkle Anderson & Citkowski PC

2701 Troy Center Dr Ste 330

PO Box 7021

Troy, MI 48007

Phone: (248) 647-6000

Fax: (248) 647-5210

E-mail: [kmackenzie@patlaw.com](mailto:kmackenzie@patlaw.com)

# Bilski – Section 101 Gets Its Hedge Trimmed

By Gregory A. Stobbs

It has not been a good year for hedge funds. First Lehman Brothers goes bankrupt, forcing it to sell all manner of swaps, derivatives, and other hard-to-value assets at pennies on the dollar. That, in turn, chopped a big hole in the hedge funds, for many of those funds were invested in the same kinds of assets as Lehman Brothers' funds.

Next, some guy named Bilski loses his patent case in the Court of Appeals, and “whack,” the entire hedge fund industry gets cut off from the U.S. patent system, or so it would seem if you believe everything you read.

To be sure, what actually happened to the patent system because of *Bilski* is less dire than the meltdown of the world economy. But if your practice involves software and business method patents, you might not think so, particularly if you read the blogs.

## Don't believe everything you read

I have a Google Alert set to notify me if anyone blogs Bilski. The misinformation being handed out is astounding: “Bilski Decision Leaves Business Method Patents in Dire Straits,” “Federal Circuit Decides Software No Longer Patentable,” “Federal Court Kills Patents on Business Methods,” “The End of Business Process Patents,” “Appeals Court Smacks Down Software and Business Method Patents,” “In re Bilski: The Fed Circuit Tells Inventors to Stuff It.”

If you believe the blogs, we patent attorneys who deal in software and business method patents had better get in line at the soup kitchen. But before you pull out your spoon, better check what the en banc court actually said:

We further reject calls for categorical exclusions beyond those for fundamental principles already identified by the Supreme Court. We rejected just such an exclusion in *State Street*, noting that the so-called “business method exception” was unlawful and that business method claims (and indeed all process claims) are “subject to the same legal requirements for patentability as applied to any other process or method.” 149 F.3d at 1375-76. We reaffirm this conclusion.

Clearly at least some of the bloggers have it wrong.

## Hedge funds – Bilski style

Bilski sought to patent a hedge fund. His application, 08/833,892, has not been published as far as I can tell, but the serial number would put the application filing date at around April 1997. His claim was to a method of managing consumption risk. It recited no hardware and no software:

1. A method for managing the consumption risk costs of a commodity sold by a commodity provider at a fixed price comprising the steps of:
  - (a) initiating a series of transactions between said commodity provider and consumers of said commodity wherein said consumers purchase said commodity at a fixed rate based upon historical averages, said fixed rate corresponding to a risk position of said consumer;
  - (b) identifying market participants for said commodity having a counter-risk position to said consumers; and
  - (c) initiating a series of transactions between said commodity provider and said market participants at a second fixed rate such that said series of market participant transactions balances the risk position of said series of consumer transactions.

To put the claim into context, imagine a power plant that buys coal to fuel its generators. The power plant (the consumer in the above claim) is averse to the risk of a spike in demand for coal, because such a spike would drive the price up. Conversely, a coal mining company (the market participant in the above claim) is averse to the risk of a sudden drop in demand for coal, because such drop would reduce its sales and depress prices.

The claimed method requires a suitable intermediary (the commodity provider) that will sell coal to the power plant at one fixed price and that will also buy coal from the mining company at a second fixed price. By suitably setting these fixed prices the intermediary (commodity provider) hedges the risk. If demand for coal skyrockets, it has sold coal at a disadvantageous price, but it has bought coal at an advantageous price (and vice versa if demand and prices fall).

For the Patent Office, which had been waiting for a suitable test case to challenge the propriety of business method patents, this Bilski hedge fund claim was a dream come true. Bilski's claim was devoid of any physical structure, although arguably there were physical acts involved in the buying and selling. Under the applicable Federal Circuit Court of Appeal's test at that time, the issue was whether the claimed method produced a “useful, concrete and tangible result.”

[Continued on next page](#)

What happened was rather surprising. Instead of applying its prior useful-concrete-tangible-result precedent, the en banc *Bilski* court announced and applied an entirely different test. It was as if Bilski's counsel had gone to court with the wrong law book tucked under his arm and didn't find out until six months after the oral argument.

In many respects the issue before the *Bilski* court was quite singular. There was no dispute over claim construction. The entire dispute was one of statutory construction: what does the term "process" in section 101 mean, and how does one determine whether a given claim (i.e., Bilski's claim 1) is for a "new and useful process."

The court conceded that the ordinary meaning of process was broad enough to include what Bilski was claiming. But in the court's view, the U.S. Supreme Court had narrowed that meaning to exclude "laws of nature, natural phenomena [and] abstract ideas."<sup>1</sup>

Courts construing these Supreme Court opinions have had little difficulty with "laws of nature" and "natural phenomena;" but they have had great difficulty with "abstract ideas." The federal circuit's useful-concrete-tangible-result test was one attempt to define what was meant by "abstract idea." It was the recognized test at the time *Bilski* was argued, and the argument boiled down to whether there had been a "tangible result." Balancing of risk certainly put tangible money in someone's pocket.

Rather than meandering further down the "tangible result" hedgerow, the en banc court took a different turn and decided to work directly with Supreme Court precedent instead of its own. That meant revisiting *Benson*, *Fluke*, and *Diehr*; and the majority opinion in *Bilski* is indeed the court's attempt at restatement of the Supreme Court precedent. As we shall see, it is the *Benson* decision that gives the new test its bite; *Benson* injects the concept of pre-emption that is crucial to understanding *Bilski*.

### The machine-transformation test

Under the rule in *Bilski* a process qualifies as patent-eligible if either of these tests are met: (1) the process is tied to a particular machine or apparatus or (2) the process transforms a particular article into a different state or thing.

Fortunately, the en banc court recognized that the raw materials of many information-age processes are electronically manipulated signals and data. Thus it stated that data representing physical and tangible objects could yield a patent-eligible process, and that transformation of that data (even a visual depiction of that data) could satisfy the machine-transformation test. The manipulation of data

representing abstractions, such as legal obligations, organizational relationships, and business risks, were quite another thing, however.

Under the *Bilski* rule, a method of putting a golf ball is patent-eligible. The ball changes state at the instance of putt. But a method of increasing golfer happiness would presumably remain out of bounds of the patent law.

When the machine-transformation test is applied to information age processes, we should look to what data are pumping through the system's veins. If the data represent properties of physical objects, then the test is satisfied. If the data represent abstractions, then the test is not satisfied. In Bilski's claim, the lifeblood data represented "risk." You can't get more abstract than that.

The *Bilski* decision presents an interesting dilemma for business methods where the claimed lifeblood data represents money. Money has a curious dual existence. It is the physical coin you can toss; but it is also an intangible measure of value.

### Is money a physical object, or an abstraction?

Ask any five-year old child if money is a coin she can hold in her hand. She will tell you, of course (please make it so). Ask Alan Greenspan the same question and he will expound for ten minutes that money is an abstraction. So whom do you believe, the five-year old child, or Alan Greenspan? If the invention is counting coins in a vending machine, then the five-year old child is certainly right. But if the invention involves accounts, ledgers, and balance sheets, you had better bank on Greenspan.

This suggests that some financial industry business methods would have difficulty passing the machine-transformation test. That is, unless those methods exploit a special purpose machine.

### How do I recite a special purpose machine?

The *Bilski* claim did not recite a machine at all. So the en banc court chose not to restrict the special purpose machine aspect of its machine-transformation test. Can we use this to our advantage? If we simply attribute steps of the process to a "computer," will that render the claim statutory? Maybe yes; maybe no. Here is where *Benson* comes back to bite.

In *Benson*, the Court held the algorithm to convert between binary numbers and binary coded decimal numbers (deemed an abstract idea) was wholly pre-empted by *Benson's* claim, rendering the claim non-statutory. The problem, however, is that *Benson's* claim recited using re-entrant shift registers to perform the algorithmic steps. Those were essentially

computer memory circuits of that era. The *Benson* Court discounted the claimed presence of computer hardware, ruling the use of shift registers was the only practical way to exploit the algorithm, and thus *Benson's* claim pre-empted the algorithm in its entirety.

So back to our question: Is reciting “computer” enough to tie your method claim to a particular machine or apparatus? Following *Benson*, the answer depends on whether the abstract idea is wholly pre-empted or not. If you can draft a claim tied to a machine that leaves at least one other machine uncovered by your claim, then arguably you pass the test and avoid *Benson's* bite. If you want examples, prior Court of Appeals decisions are a good place to start.

### Special purpose machine - *Alappat*

*Bilski* was not the first en banc court to address the statutory subject matter issue. *Alappat* did so in 1994, in an opinion by Judge Rich. An advocate of an expansive patent law, Judge Rich also authored the *State Street Bank* decision that fueled the business method patent craze.

*Alappat* involved an apparatus claim, in means-plus-function format, to a rasterizer that would smooth out the appearance of a waveform on a digital oscilloscope. The examiner said the means-plus-function language could read on any general-purpose computer, and *Alappat* was therefore pre-empting the mathematical algorithm used to smooth out the waveform.

The en banc *Alappat* court rejected that argument, finding that the claim was to a specific machine. Although it could be implemented on a general-purpose computer, that computer, once programmed, became a special purpose machine. “This is not a disembodied mathematical concept which may be characterized as an ‘abstract idea,’ but rather a specific machine to produce a useful, concrete and tangible result,” the court said.

If you are having difficulty rationalizing the *Alappat* invention with the *Benson* pre-emption theory, recognize that *Alappat* was claiming a “rasterizer.” *Alappat* did not pre-empt all uses of the smoothing algorithm.

### Checklist passing the machine-transformation test

It is going to take USPTO examiners time to assimilate *Bilski*. There are bound to be some missteps along the way. So let me leave you with a checklist to help your client pass the machine-transformation test.

- *Bilski* was a method claim. Don't let the examiners push *Bilski* beyond its holding to apparatus and article of manufacture claims. But also heed the *Bilski* dicta: “Systems that depend for their operation on human intelligence alone are not patent-eligible subject matter under *Benson*.”<sup>2</sup>
- A field-of-use limitation will not render an abstract idea patent-eligible. But a specific application of an abstract idea can be patent-eligible. Make your claim limitations look like a specific application, not a field of use restriction.
- Post-solution activity will not render an abstract idea patent-eligible, unless the post-solution activity is significant—meaning not conventional or obvious.
- Make the examiner construe the claim as a whole. It is not appropriate to dissect the claim into new elements and old elements and then ignore the old elements. Of course, if the old elements look like insignificant (conventional or obvious) post-solution activity or data-gathering steps, you fail the test.
- Draft claims that require a specific machine. The key here is to avoid the *Benson* pre-emption bite. If the essence of the claim is to pre-empt substantially the entire abstract idea, you fail the test.
- Stay away from hedge funds.

### Endnotes

- 1 *Diamond v. Diehr*, 450 U.S. 175, 185 (1981) (citing *Parker v. Flook*, 437 U.S. 584, 588-89 (1981) and *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972)).
- 2 *In re Bilski*, slip op. at 7.

## Winter Seminar

**INEQUITABLE CONDUCT UNDER CURRENT FEDERAL CIRCUIT LAW, TUESDAY, JANUARY 13, 2009 AT THE INN AT ST. JOHN'S IN PLYMOUTH.** Recent Federal Circuit decisions have found inequitable conduct in unexpected kinds of omissions and commissions. Learn what you should and should not be doing for your client and the “reasonable examiner.” This Patent Resources Group course is available to you at a special discount through the efforts of your State Bar of Michigan Intellectual Property Law Section. Study in Michigan and save the air fare! Register now at [www.patentresources.com](http://www.patentresources.com). ?

# Egyptian Goddess: Filing Down the Design Patent Infringement Test to Ensure a Picture Is Worth a Thousand Words

By John M. Halan

It has been known for centuries that a picture is worth a thousand words. That is precisely what the Federal Circuit decided recently en banc in *Egyptian Goddess Inc. v. Swisa, Inc.* 543 F.3d 665 (Fed. Cir. 2008), a case involving a design patent on nail buffers. By focusing on the drawings of a design patent to determine infringement, the Federal Circuit erased over two decades of law which had attempted to convert utility patent infringement principles to design patents.

Utility patents – the most common type of patents – are obtained to protect useful products, processes, or compositions of matter. Design patents are obtained to protect the ornamental design – the appearance – of an article of manufacture. For centuries, the scope of utility patents has been defined by written claims which can be construed and applied. Because design patents protect an ornamental design, an appropriate test for infringement has been elusive. While design patent law was the subject of three Supreme Court decisions in the 19th century, the topic has not been taken up by the Supreme Court since. One of those early decisions, *Gorham v. White*, 81 U.S. 511 (1872), set forth the test that has governed design patent infringement for over 100 years:

[I]f, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other.

Unlike utility patents that have a verbal description of the patent monopoly, the above test proved difficult to apply in practice. This difficulty in application and the continual assertions of improperly broad design patent infringement claims led the Federal Circuit to add a second test to design patent infringement and to require detailed verbal descriptions.

Beginning with *Litton Systems, Inc. v. Whirlpool Corp.*, 728 F.2d 1423 (Fed. Cir. 1984), the federal circuit added a second test required for infringement. In addition to the *Gorham* “ordinary observer” test — whether the patented and accused designs are substantially the same in the eyes of an ordinary observer – the federal circuit added a second “point of novelty” test — whether the accused device includes the points of novelty of the patented design as established by an analysis of the prior art. A patentee has been required to prove both tests to establish infringement. See, e.g., *Bern-*

*hardt, LLC v. Collezione Europa USA, Inc.*, 386 F.3d 1371, 1378 (Fed. Cir. 2004).

The point of novelty test, in its simplest form, evaluates whether the accused design misappropriated what made the design patentable. This is, in essence, a utility patent concept borne out of claim drafting and patent prosecution amendments.

In the *Egyptian Goddess* nail buffer case, the federal circuit filed down the design patent infringement test and reversed the attempts to apply utility patent concepts to design patents.

First, the *Egyptian Goddess* court held that while claim construction in a design patent case is required, “this court has not required that the trial court attempt to provide a detailed verbal description of the claimed design, as is typically done in the case of utility patents.” *Egyptian Goddess*, 543 F.3d at 679. Instead the court “recognized that design patents ‘typically are claimed as shown in the drawings,’ and that claim construction ‘is adapted accordingly.’” *Id.* (citation omitted). The court also “recognize[d] the risks entailed in such a description, such as the risk of placing undue emphasis on particular features of the design and the risk that a finder of fact will focus on each individual described feature in the verbal description rather than on the design as a whole.” *Id.* at 680. “Given the recognized difficulties entailed in trying to describe a design in words, the preferable course ordinarily will be for a district court not to attempt to ‘construe’ a design patent claim by providing a detailed verbal description of the claimed design.” *Id.* at 679. In other words, the fact finder in a design patent case is to focus on the design as a whole as shown in the patent – the ornamental design.

Second, despite 25 years of jurisprudence, the federal circuit held “that the ‘point of novelty’ test should no longer be used in the analysis of a claim of design patent infringement.” *Id.* at 678. The rationale underlying the “point of novelty” test, however, was maintained. The federal circuit modified the ordinary observer test to ensure that the prior art was considered in determining the scope and infringement of a design patent. While consideration of the prior art was the original rationale for adding the point of novelty test, the test as applied over the years had evolved beyond the original rationale.

The *Egyptian Goddess* decision recognized that the “point of novelty” test was unnecessary because prior art can be

considered as part of the “ordinary observer” test. More specifically, when “the claimed design and the accused design [are] sufficiently distinct ... it will be clear without more that the patentee has not met its burden of proving the two designs would appear ‘substantially the same’ to the ordinary observer ... .” *Id.* at 678. However, the Court held that “[w]hen the claimed and accused designs are not plainly dissimilar, resolution of the question whether the ordinary observer will consider the two designs to be substantially the same will benefit from a comparison of the claimed and accused designs with the prior art.... Where there are many examples of similar prior designs, ... differences between the claimed and accused designs that might not be noticeable in the abstract can become significant to the hypothetical ordinary observer who is conversant with the prior art.” *Id.*

The Court rationalized that such “ordinary observer” reliance on the prior art is more in keeping with the underlying purposes of design patents. “[A] test that asks how an ordinary observer with knowledge of the prior art designs would view the differences between the claimed and accused designs is likely to produce results more in line with the purposes of design patent and protection.” *Id.* at 677.

Again, a picture is worth a thousand words. Now, the test for design patent infringement allows a picture to be valuable intellectual property as well. The probable results of *Egyptian Goddess* will be several. First, it is likely that more design patents will be sought to further buttress corporate intellectual property portfolios. Second, it is likely that more design patent enforcement actions will be filed. Third, it is likely that the number of trial court decisions finding design patent infringement will increase. ?

*John M. Halan is a shareholder in the firm of Brooks Kushman P.C. He specializes in patent and trade secret litigation and heads up the trade secrets practice group.*

## Practice Tips from the USPTO

By R. Scott Keller and Anna M. Budde

The Intellectual Property Law Section offered “Basic Trademark and Patent Practice for Paralegals and Lawyers” October 6 and 7, 2008 in Grand Rapids and Troy. Although primarily intended to aid new lawyers, paralegals, and administrative assistants, the speakers from the US Patent and Trademark Office provided information and practice tips that may be of more general interest.

Mr. Kery Fries, a senior legal advisor in the Office of Patent Legal Administration, offered these patent practice tips.

**USPTO forms.** If you alter the language of a USPTO form, remove the language that identifies the form as a USPTO form. (Forms are found at [www.uspto.gov/web/forms/index.html](http://www.uspto.gov/web/forms/index.html).)

**Signatures and Powers.** The Office suggests you not use a combined declaration and power of attorney form when the client is actually the assignee of rights in the invention. The PTO forms are PTO/SB/80 (general power of attorney for all owned applications, copy to be filed in each specific application), PTO/SB/81 (power of attorney in specific application); and PTO/SB/90 (Statement Under 37 CFR § 3.73(b) in a specific application), which must include the reel and frame of the recorded assignment or be accompanied by a copy of the assignment being submitted or that was submitted for recordation.

For S-signatures, the practitioner—not an assistant—must type in the signature per the Code of Professional Responsibility; make sure to enclose it in *forward slashes*. Samples of acceptable signatures may be found at [http://www.uspto.gov/web/offices/pac/dapp/opla/preognotice/sigexamples\\_alt\\_text.pdf](http://www.uspto.gov/web/offices/pac/dapp/opla/preognotice/sigexamples_alt_text.pdf). The Office may ask for confirmation or evidence of authenticity if doubt is raised by, for example, one practitioner using different electronic signatures in the application or if the signature and typed name do not clearly identify the person.

The Office no longer requires at least 30-days between approval to withdraw from representation and expiration of a time period for a response, but now requires the practitioner to certify that the client was given reasonable notice of the practitioner’s intent to withdraw prior to the expiration date, notified of the response due and time frame for responding, and given all papers and property to which the client was entitled.

**Application Data Sheet.** In a supplemental application data sheet, new information should be underlined and deleted information should be struck through.

**Published Applications.** As a result of the application publication requirement, a substitute specification is required if changes are made to the specification other than changes to the title, abstract, claim, or addition of a benefit claim. The assignment information must be in the transmittal letter or in an application data sheet for it to be printed on the published application. Request corrections before data is exported for publication. A request for cor-

Continued on next page

## Practice Tips . . .

continued from page 7

rected publication under Rule 1.221(b) must recite material errors “apparent from Office records.”

**Petitions.** Petitions to withdraw a patent from issue may be hand-carried to the security guard station of the Madison West building, 600 Dulany Street, or sent via facsimile to the Office of Petitions, (571) 273-0025. The central fax number, (571) 273-8300, must be used for all other petitions.

A petition to accept an application when an inventor refuses to sign or cannot be located must include a showing of a bona fide effort to find and present the inventor with all the application papers (specification, drawings, and claims).

Petitions to accept delayed payment of maintenance fees require a showing that reasonable care was taken to ensure timely payment of maintenance fees; the steps in place to do so must be described. Remember to include statements from the proper parties.

**Accelerated Examination.** As of July 2008, 292 applications had been allowed with an average of 182 days to complete prosecution. In one case, prosecution was completed in 18 days. If you wish to use this process, be sure that your search covers your claim scope and that you provide the text search logic, not just a list of the terms used.

**Electronic Filing.** Presently, 70 percent of new applications are being filed electronically. During 2007, over a million new applications and other submissions were electronically filed. After an initial application filing, do not identify additional papers as “new,” as this leads to assignment of a new serial number and difficulties in associating the filed papers with the intended prior-filed application. Color images or images that have a resolution higher than 300x300 dpi cannot successfully be filed electronically.

**Helpful Web Pages.** Current list of notices and certain Office memoranda: <http://www.uspto.gov/web/offices/pac/dapp/ogsheet.html>. Mailing addresses and mail stops: <http://www.uspto.gov/web/offices/com/sol/og/patboxs.htm>. Facsimile numbers: <http://www.uspto.gov/web/offices/com/sol/og/2005/week42/patcorr.htm>. USPTO glossary: <http://www.uspto.gov/main/glossary/index.html>.

**Patent Term Adjustment.** Mr. Fries noted that most errors for which a petition to correct the Patent Office’s calculation of patent term adjustment were errors due to mis-entry of dates in the USPTO system. [There was no discussion of the DC Circuit’s *Wyeth v. Dudas* decision issued September 30, holding that the USPTO misconstrued the “overlap” provision and that only prosecution delays after three years’ pendency overlap the “[g]uarantee of no more than 3-year application pendency” provision.]

Mr. Matthew Kline, senior trademark attorney in the United States Patent and Trademark Office, offered these trademark application tips.

**Search.** Before filing an application, search the USPTO records for any registrations or pending applications that may be confusingly similar to the mark you wish to register. The USPTO offers a free searchable database called the Trademark Electronic Search System (TESS). TESS has three formats for searching: Basic, Boolean and Advanced.

**Identifications of Goods and Services.** Pay careful attention in drafting the identification of goods and services. The USPTO has very particular standards for such descriptions. There is a Trademark Manual of Acceptable Identifications and Classifications of Goods and Services that is available on the USPTO website. Choose one of these descriptions whenever possible as they are pre-

## Summer Institute

35TH ANNUAL INTELLECTUAL PROPERTY LAW SUMMER INSTITUTE, JULY 23-25, 2009 AT GRAND TRAVERSE RESORT, TRAVERSE CITY. Comprehensive updates on trademark, patent, and copyright law developments; in-depth review of Supreme Court IP decisions, trademarks in the district courts, and patent overseas; plus advanced topics on patents and copyrights by seminar favorites Tom Irving and Kate Spelman.



approved. New identifications can be suggested at [TMIDSUGGEST@uspto.gov](mailto:TMIDSUGGEST@uspto.gov).

**Three Filing Options.** Trademark applications can still be filed by submitting paper applications. However, 95 percent of all applications are now being filed electronically through the Trademark Electronic Application System (TEAS). There are two forms of electronic filing, the standard TEAS form and the TEAS PLUS form. Paper applications cost \$375 per class of goods and services, TEAS applications cost \$325 per class, and TEAS PLUS cost \$275 per class, but TEAS PLUS applications require a complete application and have stricter requirements.

**Common Errors in Application Preparation.** Mr. Kline advised that the following are common errors that should be avoided: Don't file for a basis you aren't claiming; don't include an incorrect entity identification; don't make unnecessary acquired distinctiveness or concurrent use claims; and don't use a specimen as the drawing page.

**Preliminary Amendments.** Preliminary amendments to the application can be filed before examination to provide supplemental information that may have been omitted or been unavailable at the time of filing or to make corrections. However, amendments cannot be used to expand the scope of the identification of goods and services or to make a material alteration to the mark.

**Keep Track of Deadlines.** Applicants are given six months to respond to office actions, but that deadline cannot be extended. Failure to respond will lead to either complete or partial abandonment of the application. [?](#)

*R. Scott Keller is partner with Warner Norcross & Judd in Grand Rapids. His practice includes all aspects of trademark, copyright, and internet law and litigation. Anna M. Budde is a principal with Harness, Dickey & Pierce in Troy. She focuses on chemical and mechanical patent prosecution and counseling.*

## Effective Date of New BPAI Rules Delayed

### Patent Office Invites Practitioners to Start Using New Rules Now

By Anna M. Budde

The Patent and Trademark Office (PTO) published a notice December 10, 2008 (73 Fed. Reg. 74972) announcing that the effective date of the final rule amending practice before the Board of Patent Appeals and Interferences (73 Fed. Reg. 32,938 (June 10, 2008)) would not be December 10, 2008 as announced with the final rule publication. The notice attributes the delay to continuing review by the Office of Management and Budget (OMB), which is charged under the Paperwork Reduction Act with reviewing and approving new paperwork burdens due to agency information collection rules. The PTO amended the rules to help the Board promptly decide an increasing number of appeals. The new rules also ostensibly clarify brief requirements, "thereby minimizing, if not eliminating, a need to hold appeal briefs defective." 73 Fed. Reg. 32,938 (June 10, 2008).

The PTO's comments published with the final rule estimated that the changes in appeal brief requirements would add just 10 minutes of attorney time (determining where each argument was first made) and 20-30 minutes to a paralegal's time (preparing a jurisdictional statement and set up tables of contents and authorities) to appeal brief preparation time. 73 Fed. Reg. 32,969-70. In another example of the wry Patent Office humor, the Office stated that the rules may actually save time because you won't write a brief for an abandoned application. 73 Fed. Reg. 32,969.

This is the third recent setback for the PTO in the last days of the current administration. In December, the PTO filed an appeal from the September *Wyeth v. Dudas* decision by the D.C. Circuit holding that the PTO has been incorrectly determining patent term adjustments. Also in December, the Federal Circuit panel hearing oral arguments in *Tafas v. Dudas* appeared unmoved by PTO General Counsel James Toupin's argument that the enjoined rules limiting continuation patent applications and restricting the number of claims in applications are only procedural in nature and would not affect substantive patent rights.

Although the Federal Register notice had been signed December 5, 2008, the PTO did not announce the change of effective date on the home page of its website; a link to the Federal Register page was not posted until late in the day on December 10. The Patent Office had published a notice on November 20, 2008 that appeal briefs could comply with either the rules currently in effect or with the new rules. Because one outcome of the OMB review may be further rule changes, it is difficult to justify the significant time investment for learning and using the new rules before their effective date.

The Patent Office will publish a notice of the revised effective date that provides at least a 30-day time period before the rules become effective. [?](#)

*Anna M. Budde is a principal with Harness, Dickey & Pierce in Troy. She focuses on chemical and mechanical patent prosecution and counseling.*

# New Legislation - Prioritizing Resources and Organization for Intellectual Property Act of 2008

By Julie E. Kretschmer

On October 13, 2008, President Bush signed into law the Prioritizing Resources and Organization for Intellectual Property Act of 2008 (the PRO-IP Act) (P.L. 110-403). The PRO-IP Act revises various enforcement related revisions to U.S. copyright and trademark laws. The PRO-IP Act is intended to provide increased enforcement measures for intellectual property owners. The most important aspect of the PRO-IP Act is the establishment of an Intellectual Property Enforcement Coordinator to be appointed by the President. The "IP Czar" will be an advisory position to the President. The person holding this position will be key to the establishing protocols under the new law. Intellectual property owners can look forward increased controls, security and enforcement as relates to their intellectual property.

The key provisions of the Act are summarized below:

- **Harmless Errors.** The PRO-IP Act revises the Copyright Act protecting the validity of copyright registrations that have a harmless error. Specifically, the revision will excuse any inaccuracy in a copyright certificate of registration so long as the inaccuracy was not knowingly put into the application and correction of the inaccuracy would not result in refusal of registration.
- **Impounding and Protection Orders.** The PRO-IP Act allows impounding of all copies that are claimed to be made in violation of a copyright and also allows for a protective order to be placed upon all impounded copies

so that confidential, private or privileged information is not improperly disclosed or used.

- **Increased Damages.** The PRO-IP Act amends the Trademark Act of 1946 by increasing statutory damages in counterfeiting actions and allowing treble damages in trademark infringement actions involving counterfeit goods for intentional violations.
- **Exportation of Infringing materials.** The PRO-IP Act expands the Copyright Act which currently prohibits the importation of infringing copies, to also cover exportation.
- **Increased authority to seize property.** The PRO-IP Act increases the government's authority to seize property used in connection with copyright infringement.
- **Joint Strategic Plan.** The PRO-IP Act calls for the implementation of a Joint Strategic Plan (the "Plan") against counterfeiting and infringement which will provide for the following:
  - The Plan will be established to reduce counterfeit and infringing goods in the supply chain by identifying structural weaknesses, systematic flaws and other impediments to enforcement against trafficking of counterfeit and infringing goods.

## AIPLA's Women in IP Cross Country Dinner February 12, 2009

Save the date for the American Intellectual Property Law Association's (AIPLA) second annual Women in IP Cross Country Dinner, sponsored by the AIPLA's Women in IP Law Committee and hosted by the Detroit law firm of Butzel Long. In January 2008, the AIPLA hosted dinners simultaneously in seventeen different cities across the United States, and included an interactive "shout out" from each city. The concept for the dinners came from a desire to provide female IP attorneys with an opportunity to develop informal networking and mentoring relationships in their own hometowns. The 2009 Michigan dinner will take place on February 12, 2009, at the Detroit office of Butzel Long. For additional information, including how to register, go to [www.aipla.org](http://www.aipla.org), or e-mail Bea Swedlow at [swedlow@butzel.com](mailto:swedlow@butzel.com) or Beverly Bunting at [bunting@butzel.com](mailto:bunting@butzel.com). ♡

- The Plan will provide recommendations on the enforcement, investigation and prosecution of intellectual property crimes. This will allow of the aid in the arrest and prosecution of individuals knowingly involved in the financing, trafficking or sale of counterfeit or infringing goods.
- The Plan will provide for strengthening the capacity of other countries to enforce and protect intellectual property rights by establishing international enforcement standards and by providing training and technically assistance to foreign countries.
- **Advisory Committee.** The PRO-IP Act calls for the establishment of an interagency advisory committee on the enforcement of intellectual property which shall establish the Joint Strategic Plan.
- **IP Enforcement Coordinator.** The PRO-IP Act calls for the appointment of an Intellectual Property Enforcement Coordinator (IPEC) to serve an advisor to the President with the following responsibilities:
  - Chair the newly formed intellectual enforcement advisory committee
  - Coordinate the development and assist in the implementation of the Joint Strategic Plan against counterfeiting and infringement
  - Issue policy guidance with respect to intellectual property enforcement
- Make recommendations to Congress regarding enhancements to intellectual property laws and enforcement
- **Enhanced State Efforts.** The PRO-IP Act allows for the establishment of the Department of Justice program which will provide grants to establish and develop programs to enhance state and local enforcement of anti-counterfeiting and anti-infringement efforts.
- **Increased Resources.** The PRO-IP Act increases the resources for enforcement of intellectual property crimes and computer related crimes.
- **Annual Reports.** The PRO-IP Act requires annual reports on all aspects of the enforcement and continued studies to determine if the effectiveness and efficiency of the policies.

The PRO-IP Act allows for many enhancements to the enforcement of Intellectual Property. How these enhancements will be implemented will in part be decided by the advisory committee and the new IPEC and what they choose to include in the Joint Strategic Plan. The IPEC is a presidential appointment and will be appointed by president-elect Obama in January 2009. The IPEC will have the ability to strengthen intellectual property enforcement in the U.S. and to assist foreign jurisdictions with increased intellectual property protection. How far the protection will go and to what extent will partly depend on the agenda of the appointee and the advisory committee. ?

*Julie E. Kretzschmer is an associate at Honigman Miller Schwartz and Cohn LLP in Bloomfield Hills, Michigan. Ms. Kretzschmer's practice focuses on a wide range of non-contentious and contentious intellectual property matters with particular emphasis on the protection, enforcement and management of trademarks and copyrights in the US and internationally.*

## Spring Seminar

**INTELLECTUAL PROPERTY SPRING SEMINAR, MONDAY, MARCH 16, 2009 AT THE KELLOGG CENTER IN EAST LANSING.** Register now to learn about the most recent intellectual property issues from nationally renowned experts. U.S. Customs and Border Protection officials will share tips and advice on how to work with their office to obtain enforcement assistance and get information about infringing products. Get the latest on how KSR has impacted cases, including those on appeal, and how the resulting PTO examination guidelines are being implemented. Learn how to effectively draft and update intellectual property policies, maximize the value of corporate intellectual property and handle risk management issues in your intellectual property practice. Gain insight on recent developments in design patents following Egyptian Goddess, find out about the intersection of FDA and trademark law and understand the ins and outs of International Trade Commission investigations. Presented by the Intellectual Property Law Section of the State Bar of Michigan in cooperation with the Institute of Continuing Legal Education. Register online at [www.icle.org](http://www.icle.org). ?

# Section Calendar

**January 8, 2009**

Council Meeting at 9:30 a.m.\*

**January 13, 2009**

*Inequitable Conduct Under Current Federal Circuit Law*

Presented by PRG

The Inn at St. John's, Plymouth

**February 12, 2009**

Council Meeting at 9:30 a.m.\*

**March 12, 2009**

Council Meeting at 9:30 a.m.\*

**March 16, 2009**

*Spring Seminar*

Kellogg Center, Lansing

**April 9, 2009**

Council Meeting at 9:30 a.m.\*

**May 14, 2009**

Council Meeting at 9:30 a.m.\*

**June 11, 2009**

Council Meeting at 9:30 a.m.\*

**July 23-25, 2009**

*35th Annual Intellectual Property Law Summer Institute*

Grand Traverse Resort, Traverse City

**July 25, 2009**

*Annual Meeting,*

including election of Council Officers at 8:00 a.m.

Grand Traverse Resort, Traverse City

\*Contact a council member for the meeting location.

---

**SBM**

STATE BAR OF MICHIGAN

MICHAEL FRANCK BUILDING  
306 TOWNSEND STREET  
LANSING, MI 48933-2012

[www.michbar.org](http://www.michbar.org)

|   |
|---|
| PRESORTED<br>FIRST CLASS MAIL<br>U.S. POSTAGE PAID<br>Lansing, MI<br>PERMIT NO. 191 |
|---|