

## Franklin Pierce Law Center's Fifth Biennial Patent System Major Problems Conference

### V. ADDITIONAL MAJOR PROBLEMS

MR. BENSON: Now we come to the part of the program where we go around the room, and each of you will state what you think is the major problem with our patent system. Obviously, it is certainly not limited to what we talked about earlier today.

MR. KEEFAUVER: While thinking about major issues, I reflected back \*444 on my role as Chairman of the Cost and Complexity Patent Litigation Subpart of the Advisory Commission and felt that perhaps some attention in this group to enforcement issues might be in order. Whether this is a major issue or not I don't know, but it is an issue on which we didn't come up with any real resolution. Those of you who are familiar with the 1990 Civil Justice Reform Act know that there were great strides made to encourage the district courts to adopt rules to make litigation more cost effective. One of those ideas that we picked up and strongly endorsed was mandatory mediation at the outset of all patent litigation. I'm not suggesting that be a topic because I hope that's already a done deal. One idea that we had trouble with was the so-called voluntary disclosure rule. The reason we had trouble was because we had some patent litigators on the Commission. Litigators don't like to voluntarily do anything. They like litigation the way it is, with almost unlimited sandboxes in which to dig. It certainly seemed to some of us that if we could reach agreement on some basic documents at the outset of litigation, hopefully even pre-litigation, that could be voluntarily disclosed to the other party, it would put both parties in an advantageous position to decide whether or not they want to go forward with the litigation.

All we could agree on was that we ought to exchange the numbers of the patents to be sued on or defended on. Of course, that is about all we are required to do now. We discussed a long laundry list of possible additional items. For example, if the date of invention is involved, let's turn over the documents or some idea of the testimony that's going to be involved in establishing date of invention. If the date of first commercial use is involved, let's look at that evidence, and so forth.

I would suggest that voluntary disclosure is one idea to think about. What should both parties be required, not to agree to, but be required to voluntarily show to the other party under some form of protective order, so that if they don't reach agreement, they can go back and fully litigate it.

MR. GHOLZ: The worst problem with the patent system in my opinion is juries in the patent system. The long-range solution, and I don't have a whole lot of hope of moving this one through, is a separate patent court that doesn't have juries. This is Jim Davis's idea that he started pushing 25 years ago. We haven't got it yet, but it's a good idea. \*445 He was pushing to take the Customs Court and make it into a Customs and Patent Court. Well, the Customs Court is now called the Court of International Trade. So, we can come up with some fancy name, but the idea is for a court that is accustomed to working with a statute, accustomed to following what the damn statute says to the extent they can, accustomed to being reviewed by the Federal Circuit, and accustomed to sitting nationwide. You can get the CIT judges to sit anywhere there is a federal courthouse. I don't think that any of the judges currently on that court have any knowledge of intellectual property law matters, but over the course of time, if that became an intellectual property court, that problem could perhaps be solved. So, in the long run, I would like to see all patent matters handled by a patent court with patent judges and no juries. I think that that would be perfectly constitutional for the reasons advanced in Judge Nies's dissenting opinion in *American Airlines v. Lockwood*.

In the short run and more immediately, we have an opportunity to get part of the way there with *Markman* and *Hilton Davis*. *Markman* is already at the Supreme Court. *Hilton Davis*'s petition for certiorari has been filed, and we are now in the one month period for filing briefs in support of the petition for certiorari. The AIPLA will be filing a brief in support of the petition for certiorari without taking a position on the merits. I hope that eventually we will take a position on the merits, but we haven't been authorized to do that yet. In *Markman*, the Feds said that the interpretation of the claims is not a jury issue, but is for the judge. The dissent said, my God, if the judge gets to interpret the claims, that tells you in 95 percent of the cases who's going to win and asked what is the jury going to do if interpretation of the claims is strictly a judge issue. Well, we found out when we got to *Hilton Davis*. First, you spend all of that judge effort interpreting the claims to find out exactly what they mean, and that is going to control usually who wins on literal infringement. Then, however, you turn it over to the jury to decide who has the most handsome lawyer. The *Hilton Davis* decision, in my view, does not sit well and does not harmonize with the decision in *Markman*.

If we're going to try to really understand what the claims mean, then why do we then turn it over to the jury with no more guidance than was supplied in *Hilton Davis* to decide who's really going to win. Who is really going to win is what we're interested in, not what the claims mean \*446 and how the claims should be interpreted.

So, my pitch is that if any of you have a position of power and influence in other intellectual property organizations such that you can get things moving within the time constraints that we now have, I suggest that you try to get another amicus brief filed in support of grant and petition for certiorari in *Hilton Davis* and a brief supporting *Westview* in *Markman v. Westview*. Both of those cases have the possibility of getting juries, not totally out of patent cases, but out of patent cases to a very large and significant extent.

MR. BUDINGER: I would like to speak in general terms from the perspective of the small business community. What we would like to see happen in our dream is the ability to file one patent application, somewhere in the world in English and have our intellectual property protected all over the world easily, inexpensively, and enforceably. I had the misfortune of being the first American company to fight a Korean patent all the way to the Supreme Court and win. I'll tell you that was something I wouldn't wish on my worst enemy. It is a horrible experience, and we in the small business community can't do that very often. We need a better international system. That is our first objective, and anything that moves toward that objective, I look upon as good. Anything that moves us away from that objective, I look upon as bad.

Right now, we are sitting, all of us, at a difficult time because in front of Congress are a series of patent bills that have become very contentious. Some of the bills appear to move us toward an acceptance or an understanding of the need for internationality in intellectual property protection. Some of the bills move us back. We have some very strong, outspoken, and well-funded forces in this country that are very much opposed to making any changes in the American patent law. Many people, maybe most of the people, on that side of the issue, in my experience, are there either because they are operating under misinformation or they're making assumptions.

An interesting example just arose in the discussions here. First-to-file strikes terror in the heart of most small inventors because it sounds like small inventors are going to lose one of the most important elements of American patent law. That is the ability to make an invention and to work on it before we have to decide whether or not to spend the money to get a patent. We are terrified that under a first-to-file system some big, mean, nasty corporation, or maybe even our next-door neighbor, is going to come in and file a patent and we are dead—we have no recourse. So, the small inventors are fighting that passionately.

But what are they really fighting? We need to listen to them. Most of them are not really fighting the first-to-file system; they are fighting for the right to keep the one year grace period. And so my pitch to you all today is a plea for listening to each other. There's an old story about lemonade that you probably have all heard where the two sisters are fighting in the kitchen. The mother comes in and asks, "What's going on?" There's only one lemon in the fridge, and each of the sisters needs that lemon. The mother, at first, was going to cut it in half. No, no, each one needs the whole lemon. The fight resumes. Finally, the mother decides to listen. She learns that the first sister wants to make a lemon meringue pie and needs one whole lemon. The second sister wants to make lemonade and needs the whole lemon for that. The mother knows the lemonade comes from the inside, and the pie comes from the rind. So, there is a way that both parties can have what at first looked impossible. I believe that's what we want and can achieve with international harmonization. Harmonization is a word that has acquired a lot of political baggage, but I believe there is a way to achieve international harmonization that takes the very best of our patent system and spreads it around the world. It doesn't take our old 200 year-old system in total, but it takes the very best features of it and spreads it around the world.

Actually, American inventors would be vastly better off under that possibility than we are under today's system. So, my request is that we all work to that end. The avenue that seems open is the avenue of listening to each other, not to hear the conflict, but to look for the possibilities.

Last week we had a Congressional hearing on H.R. 359 and 1733. It sounded like we were listening to the 1950s versus the 2050s. It sounded like there was no possibility of a bridge and, in some cases, that's true. There are some people who will be badly hurt financially if we retain the GATT reforms, and they are in no mood to compromise. For most people, I don't believe that's true. Most people are genuinely interested in improving the system. They are the people we need to talk to and listen to. I think we can have a pretty neat future patent system that will achieve this movement towards globalization much faster than we might otherwise think possible.

\*448 MS. HAYES: Coming from the perspective of the independent inventor is just so very different than the corporate or the university world. Maybe it sounds like we're ranting and raving. I first wrote about it in 1987 in my magazine, which was then about 12 pages, a little newsletter. I didn't even know what I was writing about. I got information from a French inventor who contacted me because he wanted us to know how bad the French system and the first-to-file system was. So, the independent inventors have been left out of the process and weren't invited to be part of the Advisory Commission. It's only because of the ranting and raving that anyone has listened. I know that the tone needs to be lessened perhaps at our end because the Commissioner is now listening. I think people are hearing some of the concerns that we have. I've been the editor of this magazine for nine years and bought it last year. Now I'm a small business person, and I know the weight of trying to pay bills and getting to the end of the month with more money than bills, which hasn't happened very often. The concerns of these people are really important. I hope that as corporate counsel and as people who have more clout than the independent inventors do, that you will take into consideration what the inventors need, because you do represent much larger organizations than the one-person, two-person voice.

On another issue, is there a way that this body can come together as far as the \$55 million that's taken away from the Patent Office? I wonder what impact it would have on Congress if there was a letter signed by everyone here saying "enough." The users are paying for the system, and Congress doesn't have the right to take that money. Perhaps that would get some attention.

MR. WELCH: This probably isn't the major problem, but at least it's an issue that's been raised. In the last few weeks, I've seen more and more about the ability to claim priority under the Paris Convention for provisional application filed in the U.S. Obviously, the better view is that under the Paris Convention, whatever the ultimate fate of the application in the country in which it is filed, you can claim priority of it in other Paris Convention countries. But there have been people writing and sending faxes around suggesting that since a provisional application cannot become a patent, it is not an "application for a patent" entitled to priority under the Paris Convention. As I say, the

other provisions of the Paris Convention clearly suggest that it is appropriate, and I think \*449 that's the better view. That's something that should be resolved quickly.

MR. C. BENSON: My biggest concern about the patent system relates to costs. We've talked extensively about obtaining and maintaining patents today. We didn't get into the enforcement part of it in our discussion today.

I'm in favor of the Judicial Reform Act where we changed the rules of civil procedure to try and streamline litigation. The problem is that it's not being implemented. The lawyers aren't doing it. The parties aren't doing it. The judges aren't forcing the lawyers and parties to do it. If we can force the parties to do it, then the system will be streamlined, and juries will be able to decide the issues that need to be decided.

Most cases, in my view and in the view of many judges I've been before, can be put on the head of a pin; one issue here, one issue there for the jury decide. The problem, as litigators, and I'm one of them, is that you try to keep every door open. If we can force people to get to the main issues in a case, then we can reduce costs in enforcing patents.

I would like to propose a few things. First, like Bill said, I would require the patent owner and the alleged infringer to provide certain categories of information in the initial disclosure, right away. Hopefully, we could devise a list of information to be exchanged. Secondly, I would require both sides to set forth findings of fact that they believe are pertinent to the case. Then the two parties would be required to sit down and try to come to a list of facts that can be stipulated to. After that, they would be required to sit down with a judge and go over the proposed findings to further narrow the issues.

Then the parties would go into sequenced discovery. The sequenced discovery would require the patent owner to come forward with infringement contentions and proofs. The alleged infringer then would be required to come forward with invalidity contentions and proofs. After the contentions are in, the parties would go through another finding of fact session and then get on with the case.

I also believe in bifurcation of damages because it is a big waste of time if there is no finding of liability. So, if the district court judges would put our feet to the fire a little bit, both parties and litigators, costs could really be reduced.

\*450 MR. SUN: First of all, I'd like to echo what Bill said in terms of simplification and cost reduction to achieve international harmonization. Adding to that, I certainly agree with the thoughts that unless we clean up our own house, we are in no position to be the leader of the world and really create a genuine work-sharing atmosphere. So, we need to have a vision, and with that vision, let's set our priority and move toward this goal; that's utmost important. We are now in a very, very critical juncture. We are clearly seeing the possibility of dropping back to accepting the 17-year patent protection, and we are seeing that the 18-month publication period severely jeopardized. We certainly don't know what Congress is going to turn out. So, when we look at the rest of the world, many countries will point fingers at the United States and say, "Well, don't you tell me what I

should do before you even get your house cleaned up." So, harmonization is the utmost important issue that we need to be focusing on at this moment.

The second issue is the litigation area. There is something very interesting that I would like to bring up about China. As you know, it's a civil law system. It doesn't have a jury. China sets up special intellectual property courts. Then, to help judges try those cases, they appoint highly specialized technicians to sit together with the judge. In other words, two experts try the cases with the judge. They will hear the cases and then cast their votes. The judge doesn't have the veto power. So, if the two specialists decided otherwise, they can overrule the decision of the trial judge. That really provides a very interesting system and contrast, at least from the American point of view. I think there is some humanity factor injected in that process, which is something very interesting that we might want to look at.

Another interesting element is that ten years ago, there was no patent system at all in China. Today, they have a relatively good patent system in place and are part of the PCT. In order to carry out their duties, there recently has been something quite significant developing. The Commissioner signed off a decree under which part of the Chinese Patent Office is now privatized. It has become a national corporation. So, in that sense, they are one step ahead of us. It is quite amazing, particularly coming from a socialist background. Even in China they are privatizing the work of their Patent Office in order to cut bureaucracy and red tape and to reduce internal costs. So, there are many things that \*451 we need to look at around the world. We should consider different points of view and keep our dialogue going.

MR. SMITH: Before I talk about what I think is a serious problem, and it's already been spoken about, I'd like to make a comment to Joanne to correct a statement that she's made twice today about the Advisory Commission. Small inventors were not excluded from the Advisory Commission. In fact, there was an independent inventor on the Commission. I believe his name was Benitez. He was not particularly active, though he signed the report. So, there was no exclusion of small inventors from the Commission.

Now with respect to serious problems, both Bill Keefauver and Chris Benson have talked about litigation. That is what I would identify as one of the most severe problems in the patent system today. We talked this morning about access to the system, and at present costs, there isn't really true access to the system for many people. I used to advise IBM 15 years ago that it was going to cost a half a million dollars to prosecute a patent lawsuit. Then I raised it to a million dollars. Then, I raised it to three million dollars. By the time I retired, I couldn't tell the corporation that they could prosecute a lawsuit on a single patent in our technology area to conclusion for less than 5 to 10 million dollars. Now sure, that's a big company and some expensive outside counsel, but I have to tell you that you're two years into the process before you get near the court other than to talk to a magistrate judge about discovery, all at the rate that outside counsel charges. It's appropriate that outside counsel charge at the rate they do because they're highly trained and well-educated people. I'm now one of them, so I've got to, but it's shameful. It's shameful the amount of money that's spent on discovery. It's shameful the amount of

jousting that goes on among counsel with each side getting nowhere, and they know they're going nowhere.

Bill talked about mandatory mediation. I've had little experience with it, but the two experiences I've had have been mere shams. Neither side was ready because the suit had just been filed, and at that point, neither side was ready to do anything serious about mediation; so there was sort of an agreement to disagree, and mediation was put behind them. We talk about voluntary disclosure. Many of the district courts don't even apply that set of rules, so we're not getting anywhere near where we should be getting. So, I believe that we really need some strong reforms, \*452 and perhaps we need more district judges to do as they have in the Eastern District of Virginia: limit the amount of discovery, move the cases through, and get to trial in eight months to a year. You may not always like the result, but at least it's less expensive.

MR. BALMER: I can wax on about litigation being a significant problem. I think we've seen a problem in the character of patent litigation to make it more like litigation that exists in other areas. So, I'd like to focus on something that may be a little bit different. I think the problem for the patent system today is visibility. Now what do I mean by visibility? We are getting a lot of press today with very high patent judgment awards. There's a lot of visibility about patents, what they're doing, and people are starting to pay attention. The Department of Justice, people about whom we haven't heard much for the last ten or fifteen years, are starting to take a little bit more interest in what we're doing. So, where is that going to lead us and are we going to head back to the 1970-type era where patents were viewed as anti-competitive and frequently held invalid or unenforceable? I think we need to be very cognizant of where things may be going and ever watchful to make sure that the type of image the patent system had has a proper spin on it.

MR. GOLDRIAN: Well, from the eyes of a European applicant, I would first get rid of the Hilmer Doctrine, which is actually the last remnant of the discrimination against foreign applicants. Well, that might not be a problem. It's just a matter of doing it or not. The real problem would be how a foreign applicant could prove a conception date outside the U.S. to the satisfaction of a U.S. court. We don't know yet how this can happen, particularly since a lot of procedures which are used in the United States for proving a conception date are not possible to do in other countries. So, this is actually a problem for us. Taking the new § 104 as progress in the right direction, we still don't know whether we can actually make use of it.

Well, there may be another problem. You know that there was a panel discussion in the GATT procedures regarding the International Trade Commission. For a foreign company allegedly infringing a U.S. patent, the procedures before the International Trade Commission are much more of a disadvantage than in a normal court. We would like to have the result of that panel revived. We are expecting based on the \*453 opinion, I think even of the President of this country, that once the GATT/TRIPs agreement was concluded, the U.S. would return to that problem.

MR. KONKOL: I would say that global patent costs is one of the main problems, as is inadequate patent enforcement outside the U.S., although, I think we can be optimistic in view of GATT and that the trend is improving. In the U.S. the cost of litigation is a problem as witnessed by the Exxon v. Lubrizol case this past year. Not long ago, I would have said the doctrine of equivalents was a major problem in the U.S., but I haven't had time to digest Hilton Davis yet.

MR. BREMER: Over the years what we've detected from the university sector viewpoint is that there has been a change in the climate to where intellectual property rights have become a preferred currency in foreign affairs. I believe that one of the fundamental concerns that we have today is the cost of patenting and patent enforcement. To endorse the vision that Bill Budinger has, we would have a beautiful system if there was a single filing world-wide with an inexpensive enforcement opportunity to go with it. That's not the pessimist's view. The pessimist doesn't worry about tomorrow because he knows everything is going to go wrong. I think where the market value of a patented invention does not exceed the costs of its enforcement, the patent has essentially no economic value to the patentee. When the university sector, because it has very little discretionary funds, tries to license, it is often envisioned as a toothless tiger that is unable to enforce its position. That is of particular concern. I think we can come to compromise on the system. It appears we have almost done so here with the prior user right, or the name that Bill Budinger attached to it, by adapting what has been described as the Japanese businessman's priorities as: 1) what will it do for my country? 2) what will it do for my people? and 3) what will it do for my company? That set of priorities would serve all of us very well in the global economy.

MR. COLEMAN: Before I comment, I have a question for Heinz Bardehle. What is the current status of the duty of disclosure before the European Patent Office?

MR. BARDEHLE: There is no duty of disclosure as you have it in your country. Of course, if it can be proven that you hid something on \*454 purpose, prior art which you were aware of from another patent prosecution, then such circumstances would make for an opposition procedure and a very bad impression, but unfortunately, not more.

MR. COLEMAN: Okay, so at the risk of speaking heresy, I don't know if it's the most important problem, but what I see as a nagging problem to the practice is the duty of disclosure before the U.S. Patent Office. I remember back several years, at least in the 1970s, that when we filed patent applications, there was a built-in disclosure incentive. You disclosed all you knew in order to achieve good patent claim coverage that would stand up under attack. Whereas we have been discussing the expense of attorneys' fees and litigation costs, all attributable in a large part not necessarily to the substance of the prior art, but to the perceived or alleged inequitable conduct in handling prior art. Again from an IP management point of view, I have observed attorneys burning up the client's money doing exhaustive searching because they're so overscrupulous about avoiding inequitable conduct rather than just providing a sufficiently good search to assure that the necessary novelty requirement is met. I'm sure this is open to a lot of argument, but I look at the practice throughout the rest of the world. Other than for true fraud, not the so-called

"fraud on the patent office," but true criminal fraud, I think the requirement of disclosure should be viewed in a more practical manner in the U.S.

MR. BENSON: In this part of the program, your statements are non-debatable.

MR. ARMITAGE: I enjoyed Howard Bremer's comments, the fact that we do not do a good job in this country of identifying self-interested changes in our patent law. Unfortunately, during the glory days of harmonization, we got the idea that harmonization occurred when we talked the Europeans into doing certain things they thought were bad for their law and, in turn, for doing certain things that we thought were bad for ours, but at the end, we'd have a common bad system. At least if you believe that harmonization was the god, that couldn't very well have been the content of the religion. I never thought that, and I think the difficulty with the entire harmonization process was there was a tiny window world-wide. The tiny window was that there would never be a treaty that anyone would ratify unless all of the changes required by the '455 treaty were self-interested changes for each of the patent systems involved. I truly believe that such a tiny window exists, and I think it's a window of enormous opportunity. I think it's a window where we in the United States need to finish the debate. I think as Bill Budinger, that we must be sure to finish the debate on first-to-invent. That debate must be a 360-degree debate that takes into account of all the uses of the patent system. I have been convinced from the beginning of the harmonization process that there is no dichotomy of interest, which depends on whether you're big, small, or somewhere in the middle, because everyone's concerned about costs. Everyone's concerned about honesty. Everyone's concerned about economic value. Simply because some people have more apparent resources to put in the process doesn't make putting those resources into the process more economic.

Let me say that in terms of practical things, there are only three things that I see that we need to fix. We need to fix the patent office; we need to fix the patent law; and we need to fix patent enforcement. I will not go into the details of each, but I would like to say that we need to adopt the word that is one of the three or four words most used in Gary Griswold's vocabulary. We really need vision in the Patent Office. When Gerry Mossinghoff decided to automate and make paperless the United States Patent and Trademark Office back in the early 1980s, it was an act of utter folly. There was not enough computer memory in the world to do the job, and therefore, it was never going to be done at any reasonable cost. About the turn of the century, for a few thousand dollars, anybody who wants to will probably be able to get the bibliographic database of all the world's patent offices on a home computer and be a patent examiner. Why not? It will be an incredibly cheap cottage industry to be a patent examining office. The United States Patent and Trademark Office is currently in the midst of acquiring two million square feet of office space to house massive amounts of paper and massive numbers of examiners. The European Patent Office is in the midst of needing to expand. The Japanese Patent Office just built a massive new building that's now overcrowded. We can no longer afford the infrastructure that will in a few years be obsolete. What we need to do is think about the patent system, the patent examination system as an industry that could be undertaken on a decentralized basis globally for which we do not need redundant efforts,

for which most of all translation becomes a \*456 huge impediment. Fixing the patent law-it doesn't do any good to talk about having a patent office that can be done world-wide, that can have electrical arts examined in Japan, can have biotech arts examined on the West Coast, if we have divergent standards. We had a nice harmless patent system for an agricultural country back in the early 19th century, but we don't have such a good patent system where the practice of patent law is dominated by lawyers. It's just become too complicated. You can spend infinite amounts of money if you really want to get to the bottom of what all the secret prior art is and what all the dates of prior invention are. We frankly, honestly, have gotten to the point now where the Europeans have probably almost perfected the patent law, and we eventually need to get to that consensus domestically. If we can do one thing within the next year to make the patent system vastly better, it is probably publication. That simply has to be done. Until we have an open patent system, we will never have a patent system that's cheap and economical. We will never get down the next step on the road to harmonization. Fixing patent enforcement is very easy. We only need to take the bills that outside counsel charge, move the decimal point over one place, and we've solved the problem. You notice I didn't say which direction.

MR. GRISWOLD: Thank you for bringing vision in. Actually, I think costs and access to the system, as I mentioned earlier, are the key issues. When I came back from the business side to legal in 1989, I was looking at this harmonization issue, and I wondered why were we doing this. What was the vision? If you don't have the vision, the pieces don't fit together. You're just working on various pieces saying we'll trade this for that. By the way, we should never have given up 35 U.S.C. § 104 until we had a world-wide grace period. You want to talk about Hilmer, but let's leave that to the side for a second. We needed to talk about a vision, and we did develop a vision at AIPLA which was to develop a cost effective, uniform, predictable, and forgiving global patent procurement system that responds to all sorts of inventors. Now, those were a few words, but each one of those words was very important. It was something at least I could then act upon. If we would achieve that vision, we would do a lot to achieve one of the three or four strategic goals of IPO. That is the cost of establishing, maintaining and enforcing intellectual property rights around the world are not so high as to be prohibitive and thereby to \*457 prevent U.S. based innovators from protecting the fruits of their creativity and innovativeness outside the United States. Now, that's something we're working towards, and we're putting a lot of energy into. Bud, as Vice President of IPO, has done a lot of work on this. So, cost of access for everyone is a key issue, and there are a lot of ways to get there, but Bill Budinger's were very eloquent and one way to achieve that.

Now, when it comes to enforcement, time is the question in my view. Time takes care of 98 percent of the issues. If you have to be there at trial in six, eight, or twelve months, you can only spend so much money, and you also have to focus. The question is time. One of the reasons that people outside of the United States don't like the ITC is because of the short time, but time forces people to focus and to get their case done. Bob cannot bill more than 24 hours a day, and if he only has six months to do it, then we can cut down on the costs. So, I think the critical thing is to have judges get serious about time. That will take costs down. It will force people to focus on the key issues. It will also force

people to be serious when they get to mediation, which in my experience is very good at the right time with the right mediator. I think costs of access, of acquiring and maintaining patent rights, and resolution of patent disputes are the key issues for all of us in the system.

MR. WITTE: I agree with the previous speakers about the cost of U.S. litigation as being very critical. I don't agree with Bill Keefauver that Rule 26 is an important factor. I do agree with the other parts of the Civil Justice Reform Act which talked about case management. The judges have to get in there, but they won't get in there and manage, organize, and control discovery unless they have Gary's time factor. Maybe the rocket docket is too short, but I think that an early trial date and the judge sticking with it is very important to control costs.

My other point is on costs of obtaining patents on a global basis. I think there's an important first step that's required before anything can be done in that direction, and that is for the U.S. to agree to go to first-to-file and then get back to the harmonization table. We must do what we can to work on other issues which have cost impact, but I don't think we're going to get at global costs unless we're back to talking on a constructive basis with our trading partners. I don't think that will ever happen unless we go to first-to-file. That should be in a negotiated context, but that's an important first step. I don't think the global \*458 enforcement costs are susceptible to attention until we get some improvement in global costs for obtaining patents. First-to-file is an important first step.

MR. CROOKS: The major problems that have been taken up today were indeed very important ones. A great deal of light has been shed on them, and a little heat, too. It seems to me that the one with the greatest time urgency is perhaps the so-called Patent and Trademark Office Corporation Act, simply because there are at least two or three bills now pending on that subject. I'm sympathetic with Bob Armitage's hope that perhaps the step which is apparently coming in some form can be taken in an evolutionary way rather than a revolutionary way. If it isn't done right, we'll be in deep trouble.

Herb Wamsley has identified four major danger areas and has obviously given a great deal of thought to them. It occurs to me that perhaps the most serious one of the danger areas is that of the organization and authority and qualifications of the proposed management advisory board. As you think about it, that term is almost an oxymoron. If you're advisory, you're not management. If you're management, you're not giving advice. Perhaps with careful consideration the apparent inconsistency can be resolved. Certainly the relationship between the Chief Executive of the Patent and Trademark Office Corporation and board members must be wisely defined. The question whether they are "directors" or "advisors" is critical. The project will not be successful unless that issue is promptly resolved. If we move too rapidly and try to do all these things at once without thinking them through, we could have a disaster. And then we would face the difficult task of putting Humpty Dumpty back together again. So, I thank Mr. Wamsley for his very perceptive comments on that subject.

MR. SHAW: I feel a little sympathetic to the comments earlier with respect to the ITC. The procedure there is certainly medieval, not only for people coming from other lands, but people here. But anyway, I think the provisional application is an abomination. I figure it will be 30 years of litigation before anybody knows what it means. Maurice said the European Patent Office has refused to accept it. I don't know any more about it than just that. We were talking about it last night, and maybe they haven't accepted it, but it's just incredible. It has to satisfy the \*459 Rules of the PTO, it has to satisfy the § 112 paragraph one enabling requirement. Anybody who knows any modest amount of practitioners' endeavors or activities knows that the procedure under the § 112 paragraph one enabling requirement in the United States is just different and more stringent than anywhere else, as far as I can gather. I don't know how Congress enacted that law. It just doesn't make any sense at all.

MS. LINCK: Well, I think the provisional application issue will be addressed, and those who are raising it now could have raised it earlier, but the Office is addressing the problem. I don't believe the European Patent Office has refused to accept provisional applications. I haven't heard anything like that, quite the contrary. With respect to what's the most major issue, I think I'll buy into Bill Budinger's point.

I'd really like to see us get back to harmonization, first-to-file in the spirit of listening to everyone and putting together a proposal that we can go forward on in some united way. Setting aside the vitriolics, perhaps, would be very nice.

I'd like to raise another issue. It is related to the high costs of litigation, which I think is related to certainty as to validity and enforcement of patents. I believe a number of people have mentioned that the art is exploding. It is extremely difficult for us to find all relevant prior art, if not impossible. Perhaps we need to explore different ways to bring out the most relevant prior art. Certainly duty of disclosure helps, although, contrary to one person's views, I think that issue has been put on the back burner. You don't hear much about duty to disclose anymore, and certainly we're not doing much in the Office with it. Right now, I'm responsible for the guidelines relating to computer implemented inventions and, as many of you know, our prior data base in that area needs some supplementing. We have turned to the private sector to help us out on doing just that. I'm not quite sure where we're at with respect to putting together a prior art data base, but we're going to have to work together, our users and our examiners, in order to provide a complete examination of patent applications and to provide the strongest patents that we possibly can. So, we need to come up with some creative ideas. We have a few in the Office, but you who work in the system probably have many ideas that we haven't come up with. I think that's a topic that would be worth exploring.

\*460 MR. MACKEY: Well, this is a great privilege to come at this end of the program. Since most of what I want to say has already been said, let me highlight a couple of points that may not have been emphasized quite as much as I might care to emphasize them. I think the major issues are the cost of patenting and the cost of enforcement. I think that some consideration might very well be given to a world-wide patent system. It would be a registration system subject to examination on request or the

time when one wants to enforce the patent. Most importantly, we should explore vehicles for launching that proposal or some similar proposal. It's great to sit here and preach to the choir, an American expression. How does one go about trying to launch an effort to establish some sort of a world-wide patent registration system, if we could arrive at a conclusion that that's what would be desirable to do? I think that this forum or some other forums might well address themselves to how one might put together a proposal and at least get consideration and a debate launched on it. Maybe the vehicle is WIPO, maybe the vehicle is some portion of the World Trade Organization.

MR. BENSON: Just for clarification, would your suggestion of a registration system with examination only on demand include demand by some potential infringer who wants to get the patent clarified?

MR. MACKEY: Yes, it could be by the party or by a potential infringer, and it would not be for a limited number of years, it would be for the full term of the patent.

MR. GOLDSTEIN: There are several important issues that we could choose from to discuss. I think high patent costs and the resulting denial of access to the patent system in the U.S. and world-wide systems are very important issues. I think assuring high quality examination in the U.S. Patent Office is very important. But to me, the key issue is the cost and the time delays inherent in patent litigation. If you have one party who is small and the other who is a "deep-pocket," it's just that much more difficult. Often, patent litigation is determined by the time and money available to a party, rather than by the merits of the claim.

I think Gary's comments on the time issue are really what we should focus on. If you focus on the timeline for litigation and moving the litigation forward in a timely fashion, not only will it improve costs, but it also deals with the business uncertainties that are such a major part \*461 of patent litigation. I have spoken with quite a few business managers who said, "Of course, I would rather win than lose, but if I have to lose, I would rather lose now than three years from now. I'd like to know so that I can run my business."

By focusing on the time issue in the litigation context and defining a reasonable, but relatively short, amount of time, and working within that timeline to require completion of discovery and pretrial preparation, you address a lot of the critical issues. Maybe the 18 months to trial in the "rocket-docket" is a bit too fast, but the concept is right.

MR. LOWIN: Having already heard about a substantive world patent system, I have only three significant problems to address. Those are § § 102, 103, and 112, but I think I can limit myself to § § 102 to 102(e), and only in the context when it is combined with § 103. This relates to the availability of U.S. patent documents as prior art references, as of their filing dates for purposes of obviousness rejections.

The underlying presumption is that the patent is representative of the state-of-the-art as of its filing date because the patentee has done all that he or she could do to bring the

invention to the attention of the public. But the rest of the public does not know that, especially where that application matures into a patent because by definition, if it matures into a patent, there is something in there that is unobvious. So, I find it defies common sense to say, "Therefore, what is in the specification should be treated as having been obvious and available to the public as of the filing date."

In the biotech hearings about a year ago in San Diego, we heard a lot of complaints about what is patentable subject matter for biotechnology under the requirements of § 101 and some guidelines were promulgated. Comments were submitted on those guidelines and one of the comments was, "Well, they'll just use § 112 instead of § 101." So, the guidelines were promulgated saying, "Okay, it also applies to utility under § 112." What has happened since then is that the rejections are for the same substantive reasons, but they are said to be based on the enablement requirement. They didn't say we can't reject the same claims for the same reasons as long as we call it enablement. So, I feel that is a problem that needs to be addressed in the § 112 enablement guidelines. This relates to the person of ordinary skill in the art.

Another comment that was heard at the San Diego hearings, and \*462 I've heard this from my inventors just this past week, is that when you take a look at an Office action you've received under § 103, the person of ordinary skill in the art is an absolute genius. This person has anticipated every possible complex development that your client could ever come up with, regardless of how many patents and publications it takes to combine to meet what is in your claims.

Two pages later, under § 112, this person becomes a blithering idiot, unable to follow even step-by-step instructions of the examples in your patent application in order to practice the same invention that was obvious two pages earlier. I think there is a little problem of consistency in how the laws are applied.

This feeds into the provisional application and the requirements that it comply under § 112, which I would suggest requires a very simple fix, something addressed to the real benefits of a provisional application system. If I'm going to publish my paper tomorrow, I need to be protected today. I want to be permitted to mail the paper to the Patent Office with a certificate of mailing.

That "provisional application" should be effective to give me an effective date against the same paper that gets published the next day, but it isn't, unless the provisional application meets the requirements of § 112. If it doesn't meet § 112, then that same paper can be cited in combination with other art, because you're not entitled to the date, and it can be used against you to reject the invention under § 103. It didn't comply with § 112, but it's still sufficient under § 103 to serve as a reference. I think that could be easily overcome by saying whatever you submit to the Patent Office in a provisional application, you've got that date for whatever it says, and the same disclosure cannot be combined with other art against you later on.

MR.KLINE: One of the advantages of being close to the end of the line is that you've heard just about all the major problems that confront the system. Bob Armitage addressed three of the major issues. The item that I'm most concerned with is the cost of enforcement, the litigation costs. Bill, Chris, and others have addressed this issue, and it's something that definitely does need to be fixed.

The other point, and I'm not exactly sure how to articulate this, is that particularly this year we have seen via the cases coming out of the Federal Circuit that the court has not provided stability, certainty, and \*463 predictability in the interpretation of the patent law. We've seen some long-awaited, very important cases come down. I'm not so sure that everybody has been happy with the predictability and certainty that we've gotten out of those cases.

For example, the Hilton Davis case had about five or six different opinions. What has that done in terms of predictability and certainty regarding the doctrine of equivalents? I don't really know what the fix is on that, whether we've got to be more diligent as to the people that are getting appointed to that court. I think particularly this past year, we've seen a problem in that area.

MR. BENSON: Unfortunately, we have very little to say who is on that court.

MR. KLINE: That's right.

MR. HENNESSEY: We have an information revolution that is taking place and not just on the desktop. It's taking place on the Internet. It's taking place in terms of the cost of access to information which is directly related to the cost of patents. By the time this group meets again, there will be a revolution, and within another two years, another revolution in the availability and cost of information.

Gerrymandering information and then making sure that there is enough work to do, reinventing the wheel to find that information is a potential threat to cost-effective patents. I think it's important for a group like this to consider how effective global systems can evolve as information becomes increasingly available and much cheaper. The issue is the cost of patents.

As for the cost of enforcement, educating our judiciary is something that this group can do with a great deal of effect and make a great contribution. Unfortunately, I do not remember any district court judges attending this conference since Judge Bill Connor was here in 1987. It would be helpful to bring some trial court judges here. The CIT will not become a patent court. Patent cases will continue to be tried in federal district courts with general jurisdiction. What we have is the ability to inform people who are much more effective teachers of their own groups than we would be. They will be our best ambassadors for how to improve the system of enforcement.

MR. WAMSLEY: Probably most of the longer-term issues have \*464 already been covered, so I would like to use my five minutes to tell you what I think is the major problem facing the U.S. patent system in the next 12 months.

In my opinion, the biggest problem facing the patent system right now is a heavily financed lobbying campaign to bring back the 17-year term measured from the date of grant. A great many people are supporting the 17-year term who are not among the heavily financed group and who I think are well intentioned.

There is really a need for more understanding of the problem that was occurring with submarine patents under the old 17-year term measured from grant. I encourage you to read the magistrate judge's opinion from the Reno, Nevada District Court in June 1995. The facts as found by the magistrate in that case, in my opinion, represent the American patent system's biggest problem of the 20th century. The magistrate recommended that Jerome Lemelson's patents claiming an earliest effective filing date of 1954 should be unenforceable. Mr. Lemelson received a number of patents between 1990 and 1994 covering bar code scanning technology and claiming an effective filing date of 1954.

I think that case is shocking, but a number of people seem to be trying to defend that method of operating the patent system. We're going to see a number of other cases come to light in the coming months similar to the Lemelson 40- year patents. I submit that in the long term the American patent system can't operate with that kind of "submarine patents" that are submerged in the Patent Office for decades.

We thought we had the submarine patent problem fixed with the passage last year of the new patent term of 20 years measured from the date of filing. The 20-year term may need some fine tuning, but I really think it is a major problem now that there is the real possibility that legislation could be enacted to reinstate the 17- year term measured from grant.

MR. RINES: Mr. Chairman, I didn't intend to talk about that, but I first want to thank you all for coming here. I would like to make a comment because I testified last week in favor of H.R. 359, but not for the reasons that you stated.

I'm in no sense defending people who I think misuse the patent system and how they try to do late claiming and continuations that aren't \*465 curbed by the Patent Office. I told the House Committee, and I'm in no sense defending people who I think misuse the patent system and how they try to do late claiming and continuations that aren't curbed by the Patent Office, but I did ask the Committee if any of them knew who the submarine patent commander was. They looked at me. I said it's the United States Patent Office. If they were doing their job, nobody could stretch a patent out for 40 years in the first place. In the second place, nobody could start stretching claims away from their original substance, if we had examiners who knew what the devil they were doing.

Now, to show you that the Patent Office really knows how to do it, let's consider trademark oppositions or interferences. How many of you have asked for extensions of

time? When the Patent Office feels enough is enough, what do they say to you? They issue an order to show cause why they should even listen to any further extensions. This is it. In the same way, if somebody is filing continuation after continuation and stretching, if the Patent Office were doing their job, it would never happen.

We have plenty of law with regard to laches and to belated claiming; there are all kinds of precedent for that. I had a case in New York where my poor client delayed only 3 years. All he did was to run his patent through to allowance, then he refiled the case, and he got a little bit of extra time. The defendant raised this issue of undue delay, unclean hands, in that case unsuccessfully. We have these well established doctrines. Who the heck needs more legislation? At any rate, that wasn't what I intended to talk about.

I do want to make a few comments to echo what Professor Hennessey has said here. We're dealing with what I call "Jurassic Jurisprudence" in the United States. And what you fellows in Europe have, I don't know what preceded the Jurassic age, but indeed, you're certainly not legally in today's technological era.

We're just not thinking about how information is now being used and the needs today for redress of abuses. How the devil can we lawyers protect any client when with the press of a button, all the trade secrets of a company can be all the way across the world to any competitor. Go ahead, what are you going to do, sue? Go ahead and sue me. The courts are an unfortunate joke in today's real world. Now, I don't mean that to be unkind. I mean it to be realistic and to wake us up. I think the only \*466 thing we can do economically or otherwise is to find a way to solve our own disputes. This is going to take a new attitude of lawyers different than what we've had before and strong moral suasion in the business community as well.

Our job is to get our clients out of problems, and we must evolve as mediators. Not just what people are thinking about in terms of the mediation concepts of the American Arbitration Association, no, no; I'm talking about a very different level of mediators who are highly trained in a particular technology, who understand the relevant legal concepts, understand the business and entrepreneurial aspects, and can be facilitators to help people resolve disputes, or preferably avoid them in the first place.

I realize that under the Constitution, if somebody wants to sue in our courts, we're going to go on with "Jurassic Jurisprudence." But suppose we put a carrot in the granting of patents, that there's some special privileges, whether monetary, no fees, or time, whatever it may be. When you file for a patent, you automatically agree to the condition that any disputes arising out of the patent must be done by mediation and, if required, binding mediation.

Then, we can put similar carrots in the path of infringers who are being sued, with regard to this tremendous cost of litigation, that forces them to see the economic necessity of going to mediation and not to the courts. I think this is the direction we should all be thinking about. It is the wave of the future, whether we want to believe it or not.

I remember posing a question to the predecessors of this group 17 years ago when Tom Field had a meeting down at M.I.T. for the PTC. The title was "Other Techniques for Dispute Resolution." We asked the lawyers, "How many of you would submit patent validity to arbitration?" There almost wasn't a hand. It was then arbitration, not mediation, because we didn't really even know what mediation was.

We have now come to a different time and point in society. Just to hammer on our kick of "harmonization" with a system that's just as poor or good as ours and to think we've solved our problems is a fallacy. We get that little piece of paper out of the Patent Office, and what are you going to do with it? Sorry, Heinz. I never want to be seen in the German courts again, even though I'm told I won.

The last item I want to mention is to ask you to look here at \*467 Franklin Pierce Law Center at our efforts to establish Accord, a facilitation center limited to the areas of intellectual property and technological disputes. The goal is not just for the resolution of disputes, but also to provide very skilled and trained facilitators to help avoid disputes in the first instance. We're calling on the most able people in this process to train us to help negotiate and facilitate the solution of such problems without the courts. We're going to have to do it in this new world.

I should also say something about how the independent inventor community and the large companies or others can get together. First, I would echo Joanne's comment. Why don't we all get together and get after Congress for stealing our inventors' fee money? That's a wonderful first and common project that can unite this whole country. For all types of inventors and all sized companies to get together and say that when we have paid Patent Office fees, you have no right, Congress, to take it for your own things. That is a wonderful issue that will unify us all, large and small alike, and start us all thinking we are truly brethren and sisters.

The second aspect, folks, is that you're not fooling the independent inventors. They know we already have a de facto first-to-file system, so why do you think we're hollering? We actually have in practice a first-to-file system. We're hollering because there are certain things we want to save, not first-to-file or first-to-invent; that's not the real cause. It's things that are related to the real world of our economic survival and the way innovation actually goes. Heinz, we desperately need that one year period. There's no way little people can effectively do this otherwise.

MR. BARDEHLE: We are together.

MR. RINES: We've got to have it. We'll bring the inventive community, independent inventors, and everybody else to you. You can call it first-to-file or anything you want. Just give us that grace period which underlies the greatness of the American patenting process. That was our genius in trying to match real innovation needs to the law. Let them adopt that. That's harmonization, taking the best from us, and they adopt it.

Number two, give us the opportunity to continue the CIP practice. It is essential from the innovation point of view. It's a great invention in procedure. I don't know fully what my clients are filing in \*468 complicated areas in the first instance. I have to improve that with practically gained insights until we learn what are the really important and vital things we're doing. If I'm dead because you publish the first approximation or cut and that becomes prior art, then I'll never get the mature form of CIP's anywhere in the world. Keep that great American procedural invention. Also, you adopt it, too.

Give us those two things, a realistical and inexpensive mechanism to protect against someone who steals an invention from us and was the first-to- file, some practical mechanism, and I will assure you that we will persuade the total innovative community of this country to adopt the so-called "first-to- file." Think about our needs a little bit.

MR. BARDEHLE: Having heard so much about complications, I feel inclined to state a few positive thoughts, namely to stress the very positive attitude of the U.S. examiner to allow an applicant to turn around the examiner and prove that he was in error when he issued the first rejection. The examiner accepts that what he said in his first rejection was wrong, not nonsense, but just wrong. If you do that in countries where people have a fear of losing face, when you turn them around, then you have great difficulties to approach the examiners.

The U.S. examiner is happy when you demonstrate to him he was wrong, he doesn't lose face. I would like to recommend that you maintain that positive education of your American examiners. I speak from experience.

I also have a few points which I would like to raise. First, the duty of disclosure. We, or I personally at least, would have no problem in accepting a duty of disclosure for nearly all. But what bothers us sometimes is when we submit an international search report or a search report from the EPO, in which ten, sometimes fifteen, stupid references are mentioned just to prove that the examiner has done some work. One is obliged to submit translations of these ten references, while only one of the references may be an excellent report. This makes clients crazy. This is costly and money-consuming. Don't forget that on the other side of the ocean.

We are dealing with that. By the way, the U.S. examiner would have been obliged to make the search, and if he didn't find it, it's up to him who makes the search in the Patent Office, the examining examiner, and not somebody else. So, this shifting of responsibility for the search \*469 to the applicant and expecting him to submit a lot of translations and unnecessary costs is really bad.

Another point is the discrepancy between treatment of unity of invention under PCT and national applications. There is no understanding on this issue, and this also makes unnecessary costs for us.

Now, I would like to give a short comment to the question raised concerning whether a provisional application is entitled to Convention priority. There is no indication from the

EPO or any other side that there would be a chance that the priority would not be recognized. That was just a warning of a judge of the EPO during the recent judges' meeting, an application which can never mature into a patent by definition because it dies after 12 months cannot be considered as a regular patent application. Neither the President of the German Patent Office nor the President of the EPO has any say in that. This is a matter of all the national courts everywhere where priorities are claimed. They have to be directly and clearly convinced that such a priority is correct. I think it should be very simple and very easy, possibly by a correction of the law, whatever you may do in order to make that crystal clear for every applicant who uses that system. It is just a warning, nothing more. Nobody has said you wouldn't get a priority.

I personally would. There are good reasons that a priority can be granted, but there are also reasons under which I would have doubts. If in this important matter there are doubts, I think that's unbearable. This has to be because people already file patent applications claiming as provisional applications for which they want to claim priority. One cannot imagine what may happen some years later when in an opposition procedure which may go up to our Supreme Court, it is decided that this provisional application can never mature into a patent and can never be the basis for a priority. That could be a disaster. That's why it was mentioned, and it was just a warning to make that crystal clear.

MR. JORDA: First of all, Paul Janicke was invited from the University of Houston. Unfortunately, he was not able to make it, but he sends some thoughtful suggestions, and I would like to read them into the record. He states:

I believe the biggest set of problems facing the system revolve around scope. For example: 1) Perhaps we should rethink the \*470 concept of broad claims dominating the scene, supported in the so-called 'predictable arts' by disclosure of a single embodiment. The reverse doctrine of equivalents might take care of this in theory, but is rarely applied to let the defendant off the hook in litigation. 2) I think we need to reverse *Roche v. Bolar* and make all experimental use non-infringing. A system designed to produce improvement inventions shouldn't block those developments during the whole life of a dominant patent. 3) Many patents today disclose little if any use, but are block diagrams of general ideas for the future; yet meaningful challenge on § 112 grounds is most difficult to sustain. These technically unhelpful patents give me the feeling of an embarrassing lottery game. I don't yet have a proposal for what to do with this one. 4) In biology, can we afford to keep the old black-letter law that one who discovers a compound and discloses a method of making it and some use for it can claim the compound and block off all uses of it for the life of the patent? How did we come by this proposition historically? Many scientists think this is a bad rule but are not very vocal about it because they do not wish to venture into the arcane recesses of patent law, and they feel the Patent Bar will oppose them. Will we? Internationally, we spent all that energy arguing about how long patents should last, and as Rob Merges says, virtually no effort to debate how wide they should be. I think the profession needs to address scope issues more in a spirit not of what our immediate clients would like to see, but rather what is good for the long run.

Okay, now a couple of topics of my own that haven't been addressed, and maybe they're not that major, but I'd like to see us establish a utility model, petty patent system or, as it is called in Ireland, which established such a system very recently, a short-term patent. Now, the European Union is seriously considering it based on a proposal by the Max Planck Institute. The norm is becoming a ten-year term with a superficial examination. This may be needed, and a lot of people have argued that to provide protection in the "twilight zone of subpatentable inventions" would reduce costs, would be simple, and would be a bridge over the trade secret/patent gulf.

In this connection, I would like to advocate a 25-year patent \*471 term from filing across the board. This would also be simpler because now we have a patchwork of exceptions: 20 years from filing, but if it's a pharmaceutical case and there was a regulatory delay, or if there was a delay based on appeals, based on interferences, based on secrecy orders, etc., you can get up to five years extension. But rarely is it that much, and it's a lot of trouble to get any extension whatsoever. So, going to 25 years would solve all that and would simplify the system and make it cheaper.

Of course, I'm on record of arguing for a 50-year patent term for basic pioneering inventions, which are often ahead of their time, and this has nothing to do with submarine patents.

I also feel that something needs to be done with our anachronistic interference system which, together with divisional practice, foreign filing licenses, and abandonments, Don Banner called a "Mickey-Mouse practice that should be abolished" at the Third Patent and Trademark Office Day Conference held at the Washington Hilton on May 24, 1982. But rather than abolishing it, we gave it world-wide scope by extending § 104 to all NAFTA and WTO countries. That is going to be disastrous. Yet, there is an ideal compromise or solution, one which former Commissioner Mossinghoff proposed at an ABA-PTC Section Meeting in San Francisco on July 7, 1982. Unfortunately, it fell into oblivion. Under our proposal he said, "We would retain the present first-to-invent system of priority. But we would change the procedure so that a patent will be issued to the first person to file an application, and it would be up to the second person filing an application on the same invention to trigger an interference with the patentee. If the 'junior party' is successful in the interference, his or her patent would run from the date of the original senior party's patent." That would have cut back on interferences, simplified interference practice, and improved the patent system, while retaining the first-to-invent system. The best of both worlds! What a missed opportunity!

One final point, the pendulum apparently has swung a little too far, and maybe the time has come to stop it, what with billion-dollar judgments, permanent injunctions before appeals are exhausted, "patent blackmail" as the Chief Judge of the Second Circuit Court called it, because too many marginal patents are being asserted. Because of the very high rate, excessive rate as some say, of patent validations, former \*472 Congressman Kastenmeier said, "What have we wrought by establishing the CAFC?"

Now these are some of my suggestions. Bob, I am glad you said that they are nondebtable. Why? Because when you get two lawyers together in one room, you get three opinions, and no two lawyers can discuss any issue for more than five minutes without coming to total disagreement.

MR. BENSON: Well, it's awfully close to 5 o'clock. I wanted to get you out of here because I know some of you have long drives to get home, but I want to thank you. I really appreciate the efforts that all of you made to come out here on a Saturday and spend a full day in Concord, New Hampshire. We really appreciate your contributions. The discussions were very, very helpful, and they certainly have given us a real checklist of things that we can think about for our next conference.

Again, thank you very much.