

Abstract

The Court found that the plaintiff's failure to list the parent application in the proper box on the request form for the purposes of claiming priority was an obvious error under PCT Rule 4.10(b).

KAEPA, INC., Plaintiff, v. DONALD J. QUIGG, Commissioner of Patents and Trademarks, Defendant

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

August 16, 1989, Decided;
August 18, 1989, Filed

OPINIONBY:

OBERDORFER

OPINION: MEMORANDUM

LOUIS F. OBERDORFER, UNITED STATES DISTRICT JUDGE

Plaintiff has sought judicial review of a final decision entered by the Assistant Commissioner of Patents and Trademarks denying plaintiff's request for rectification of a "priority claim" in an international patent application. Defendant moved for summary judgment, and a hearing was held on June 27, 1989.

I.

The Patent Cooperation Treaty ("PCT") is an international agreement that enables a patent applicant to file one application ("the international application") and have that application recognized by all member countries. The United States is a party to the PCT, and United States nationals file international applications in the United States Patent Receiving Office ("RO/US"). Under Article 3(2) of the PCT, an international application must contain, inter alia, a "request."

An international applicant can claim "priority" of related patent applications filed within the prior year. When priority is claimed, the international application is deemed to have been filed on the filing date of the earlier application. The priority date is important for two reasons: first, it establishes the applicant's right to have prior art considered only up to the priority date; second,

it determines subsequent filing and publication dates for the international application. PCT Rule 4.10(a) provides that the priority claim shall be made in the request and shall include the following information about the prior application: the country in which it was filed, the date on which it was filed, and the number under which it was filed.

II.

On October 8, 1986, plaintiff filed a domestic patent application entitled "Footwear Lace Locking Assembly" ("the parent application"). On July 17, 1987, plaintiff filed a continuation-in-part ("CIP") application, which supplemented the parent application. Plaintiff filed the international application at issue on October 7, 1987. See Commissioner's Exhibit 1 ("Record") at 1-5. Accompanying plaintiff's request was a PCT International Application Transmittal Letter, a printed form provided by RO/US. See *id.* at 1.

On the request form, plaintiff claimed the CIP application as priority, but did not list the earlier parent application. See *id.* at 4. A section of the accompanying transmittal letter, however, listed the serial numbers and dates of both the CIP and the parent applications. See *id.* at 1. Because the request form did not indicate a priority claim for the parent application, RO/US considered the claim not to have been made. See PCT Rule 4.10(b).

On March 24, 1988, plaintiff filed a request for rectification of an "obvious error." See *id.* at 6-7. On April 7, 1988, the RO/US notified plaintiff that its request for rectification was denied. See *id.* at 8. Plaintiff petitioned the Assistant Commissioner for reconsideration on June 1, 1988, and the Assistant Commissioner denied the petition on July 26, 1988. See *id.* at 9-14. Plaintiff then requested reconsideration of the petition decision on August 29, 1988; the Assistant Commissioner denied that request on September 27, 1988. See *id.* at 15-18, 33-35.

III.

This case turns on whether plaintiff's failure to list the parent application in the proper box on the request form was an obvious error. PCT Rule 4.10(b), which declares that a priority claim will not be recognized if it does not include the country and the date of the earlier application, also provides a specific exception when the omission is the result of an "obvious error." *Id.* at 68. In addition, PCT Rule 91.1(a) provides that "obvious errors in the international application or other papers submitted by the application may be rectified." *Id.* at 102.

The undisputed facts surrounding plaintiff's application indicate that plaintiffs' failure to include the parent application on the request form was an obvious, and therefore rectifiable, error. For one, the RO/US transmittal letter contained a clear reference to the parent application, including its date and serial number. The transmittal letter is a printed form provided by RO/US for international applications. The transmittal form and the request letter arrive together at RO/US and are processed together. See Plaintiff's Request for Reconsideration of Decision on Petition, *id.* at 15. Moreover, the international application was filed on October 7, 1987, almost one year to the day after the parent application was filed on October 8, 1986. Because international applicants are allowed one year in which to claim priority for earlier applications, most international applications are filed on or close to the one-year anniversary of the prior application.

Despite these facts, defendant has argued that the omission of the parent application from the priority claim was not an obvious error because it was possible that plaintiff was entitled to claim priority only for the CIP application, not the parent application. When pressed at oral argument, however, counsel for defendant admitted that international applicants always claim priority of parent applications, whether they are entitled to it or not. Moreover, defendant's counsel admitted that he could think of no situation where it would serve an international applicant's interest to fail to claim a parent application as priority.

The existence of the parent application, in conjunction with the reference to the parent application in the transmittal letter, the proximity of the transmittal letter to the request form, and the timing of the international application, indicates that plaintiff's omission of the parent application in the request form was an obvious error.

IV.

The only remaining issue is whether the Commissioner's refusal to allow rectification of plaintiff's error was "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law." 5 U.S.C. § 706(2)(A). Defendant's only prudential justification for its decision is the asserted importance of the timing of the international application. Defendant argues that rectification should not be allowed because changing the priority date would "throw[] off the whole timing of the PCT processing." Defendant's Memorandum in Support of Motion for Summary Judgment at 8. Defendant is particularly concerned with the requirement that international applications be published within eighteen months of the priority date so that the public may be promptly notified of pending international applications.

As Commissioner of Patents, defendant may exercise his discretion to balance the competing policies of procedural precision and substantive fairness. In this case, however, defendant has offered no convincing reason -- in fact, no reason at all -- why plaintiff should lose its substantive right to have prior art considered only up to the priority date. Plaintiff filed its request for rectification before the eighteen months had expired. Moreover, when the application was published, it contained a notice of plaintiff's pending rectification request. Because the public had been notified, allowing rectification would have prejudiced no one. In these circumstances, defendant's refusal to allow plaintiff to rectify its obvious error was arbitrary and capricious.

Accordingly, an accompanying order will deny defendant's motion for summary judgment, grant plaintiff's motion for summary judgment, and reverse the decision of the Commissioner of Patents and Trademarks denying plaintiff's request for rectification of its international application.

ORDER - August 18, 1989, Filed

Defendant has filed a motion for summary judgment. Although plaintiff has not filed a cross-motion for summary judgment, defendant has agreed that plaintiff's opposition to defendant's motion for summary judgment shall be treated as a cross-motion for summary judgment.

For the reasons stated in the accompanying memorandum, it is this 16th day of August, 1989, hereby

ORDERED: that defendant's motion for summary judgment should be, and hereby is, DENIED; and it is further

ORDERED: that plaintiff's cross-motion for summary judgment should be, and hereby is, GRANTED; and it is further

ORDERED: that the decision of the Commissioner of Patents and Trademarks denying plaintiff's request for rectification should be, and hereby is, REVERSED