

## Secret PTO Program Subjects Apps To Heightened Scrutiny

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Unbeknownst to virtually all applicants for patents, the United States Patent and Trademark Office operates a secret program called the Sensitive Application Warning System. Although SAWS has been mentioned in scattered anecdotal accounts from patent attorneys and examiners and a single leaked memo from 2006, this program is not based on any law nor is it reflected in the PTO's published rules for its operation. The few previous references to this program indicate that if the PTO enters a patent application into the program, the application could face many additional rounds of scrutiny — and therefore substantial delays — during examination.

Despite the secretive nature of the SAWS program, substantial information about the programs — though not complete details — was obtained via Freedom of Information Act requests. In short, the subject-matter criteria used by the PTO to select applications for the SAWS program are vague, over-inclusive and seemingly present a conflict of interest. For applications entered into the program, examiner-proposed notices of allowances are reviewed by up to six or seven additional PTO professionals, any of whom could presumably veto the proposed allowance.

Worse yet, applicants are not informed when their applications are classified as SAWS applications or the identifies of all of the additional people involved in the decision-making as to whether an application will be allowed to issue as a patent. As many examiners also refuse to answer the direct question as to whether an application is in the SAWS program, the applicant is left with little recourse to respond to the enhanced scrutiny. The PTO refused to respond to a FOIA request for the identity of all applications subjected to the SAWS program.

### What Makes an Application a SAWS Application?

The PTO's FOIA response revealed that there is a corps-wide list of identifying potential SAWS subject matters and additional lists specific to technology centers (TCs). The corps-wide list directly follows and the TC-specific lists are in the appendix below.

### *Corps-Wide Potential SAWS Subject Matter*



Kate Gaudry

1. Applications dealing with inventions, which, if issued, would potentially generate unwanted media coverage (i.e., news, blogs, forums).
2. Applications disclosing seemingly frivolous or silly subject matter — paying special attention to the title, abstract and cover drawing.
3. Applications with claims of broad or domineering scope and/or which have old effective filing dates (submarines).
4. Applications with claims of pioneering scope.
5. Applications that have objectionable or derogatory subject matter in the specification and/or drawing(s) and/or claims.
6. Applications claiming inventions, which would endanger individuals, the environment, the security of our nation, or public safety.
7. Applications claiming inventions that include explicit recitations of race, ethnicity, origin, or other prescribed populations.
8. Applications claiming a method/apparatus to take a human life (e.g., suicide machine).
9. Applications claiming a method or apparatus for abortion.
10. Applications claiming a motor or power plant, which is self-sustaining (perpetual motion machine, etc.) or which appears to violate the laws of physics (e.g., antigravity, faster than the speed of light, etc.).
11. Applications claiming the prevention or curing of diseases, which were previously considered impossible to prevent or cure.
12. Applications of human cloning.
13. Commissioner-ordered reexams, except those ordered because or prior art timely filed, but not considered, before the patent issued, or for prior art submitted under 37 CFR 1.501.
14. Reexamination and Reissue cases in which:
  - Litigation involves the Supreme Court,
  - Litigation where the judgment on a patent was either favorable or unfavorable and a high dollar amount was awarded to either party, or
  - Technology/Companies that are recognized by the public or have been reported in the media or there is a high probability that the media would report on it in the future based on any action taken by the PTO.

In particular, at least the first and 14th items on this list enhance review of applications that have the potential of focusing public attention on the PTO itself, likely in an attempt to avoid public embarrassment. These same items and item 4, however, could presumably place all patent applications of high-profile companies into the SAWS program. Further, at least items 1-4 are vague, likely resulting in wide variation in application across decision-makers.

While the full TC-specific SAWS criteria are included in the appendix, some warrant particular mention. For example, a variety of list elements seem quite over-reaching, such that if all applications having the identified subject matter were entered into the SAWS program, it would presumably be an unbearable workload for the agency. The list below provides exemplary list items from the respective TC's list:

- TC 1700: Applications with claims to computer programs, claims to algorithms rejected under 35 USC 101 (the patentable subject matter statute) or applications with claims which would be subject to a 101 rejection in view of the Mayo v. Prometheus Decision.
- TCs 1700, 2400, 2800 and 3700: Applications with business method claims.

- TC 2600: “Smartphones” and “Internet-enabled systems.”
- TC 3600: Applications dealing with tax strategies.
- TC 3700: Processes and apparatuses involving Education (class 434).

Further, a number of TC-list items identify subject matters for which, if patents were to issue, operations of government agencies could be influenced. Thus, a government agency is subjecting applications that, if issued, may require a same or different government agency to pay licensing fees, to additional scrutiny. Exemplary list items include:

- TC 2100 and 2400: Applications reciting processes the PTO employees or intellectual property attorneys practice, or a system the PTO or IP attorneys use.
- TC 3600: Applications with special licensing and review issues (e.g., disputes with the U.S. Department of Defense or U.S. Department of Energy)
- TC 3600: Applications with claims specifically reciting ... governmental functions, including functions of the USPTO.

### **What Is the Protocol for Examination of a SAWS Application?**

First, an examiner must inform a supervisor if he or she determines that an application matches a SAWS category. The protocol encourages the examiner to be liberal in designation applications for SAWS. Second, once designated by the examiner, the supervisor discusses the case with the examiner and determines whether to report the application as a SAWS application. The supervisor is also encouraged to be liberal in this identification.

Third, when the supervisor determines that the application meets the SAWS criteria, he or she prepares a SAWS report. The report includes identifying information, a sample claim and a short summary. In most TCs, the report is also to include an Impact Statement (which is optional in the others). The supervisor is encouraged to perform Google searches of the invention, inventor, owner or assignee to complete this statement. Pertinent information includes, for example, whether the owner’s stock is publicly traded and whether there have been press releases of the invention.

Fourth, the SAWS report is reviewed by a SAWS point-of-contact (POC) and SAWS quality assurance specialist (QAS) and/or a SAWS panel. If these parties agree with the classification, the application is flagged in PALM such that any notice of allowance submitted by the examiner must be reviewed before it is mailed to the applicant.

Fifth, at allowance, the SAWS POC, QAS and/or panel review the SAWS report (with the sample claim) and can review the file for further detail about the application’s examination. These parties make a determination as to whether to forward to any other PTO personnel (typically the assistant commissioner for patents and/or assistant commissioner for patent examination policy).

Scattered anecdotal accounts of this program from various practitioners and applicants suggest that this multiparty hierarchical review can result in very extended examination delays, instructions to examiners

to not allow applications, additional office actions, and (at least in some cases) applicant sentiment that there is no chance that the application will be allowed.

### **How Can an Applicant Determine if an Application Is in the SAWS Program?**

The first important point is that the applicant is not provided any official notice when an application enters into the SAWS program. Further, official requests, via the FOIA or petition, to indicate whether particular applications have been entered into the SAWS program seem to be routinely denied.

One potential indicator that an application has been so classified is long delays between office actions. Another potential indicator is receipt of an office action despite expecting a notice of allowance (e.g., based on an examiner's comments from a previous interview).

Based on anecdotal accounts, a small handful of examiners will verbally inform an applicant when an application is in the SAWS program. Some other examiners will affirmatively respond when verbally asked whether an application is in the program. Still other examiners refuse to answer the question. It is unclear whether some examiners' refusal to address whether an application is in the SAWS program represents official PTO policy.

### **Concerns With the SAWS Program**

While more needs to be known about the SAWS program, what we do know suggests that the program suffers from substantial constitutional difficulties. When a government agency reviews an application for a government benefit — including a patent — it does not have carte blanche to apply secret and arbitrary procedures. Instead, the PTO is constrained by the due process clause of the Fifth Amendment to apply procedures that are fair under the circumstances and are calculated to lead to a correct outcome under the Patent Act. Moreover, procedural due process requires the PTO to comply with its existing, published procedures.

The SAWS program seems to violate these basic tenets of procedural due process. The existence of the program itself is not disclosed — something perhaps unique in government outside of classified, national security programs. The criteria used to select applications for the program are considerably vague, allowing arbitrary decision by government bureaucrats. The decision to place an application in the program, based on the vague criteria, is wholly unreviewable; an applicant neither is told that its application has been placed in SAWS nor does it have a mechanism to challenge the designation.

Further, one of the motivating factors for entry into the SAWS program is to ensure that the PTO is not embarrassed by a patent that is issued — not to increase accuracy in applying the Patent Act. The identities of PTO employees who make decisions about particular applications within the SAWS program are unknown. And entry into the program appears to doom applications to interminable delays and a substantially reduced chance of a patent issuing.

Procedural due process forbids all of this. Entry into the SAWS program should be governed by definite, published criteria. Applicants should be notified when they are subjected to the program, told who the decision-makers are, and subject to a reasonable process consistent with the law. Anything less violates the Constitution.

### **Appendix — TC-Specific SAWS Potential Subject Matter**

## **TC 1600**

Subject matter currently generating extensive media coverage:

- AIDS/HIV vaccines and/or methods of prevention
- Human fetal cell or fetal tissue based inventions, including use of fetal cells to treat humans
- Human gametes
- Germ-line gene therapy
- Human embryonic stem (ES) cells and methods of making and using the same (this does not include all stem cells, just ES cells)
  - Induced pluripotent technology
- Claims either specifically directed to or encompassing Human Beings, including:
  - Human Beings,
  - Human embryos
  - Human/animal chimeras
  - Methods of making or cloning human beings or human embryos,
  - Methods of in utero genetic manipulation of humans,
  - Methods of genetically altering humans via in vitro fertilization (IVF) or other methodologies (gene therapy),
  - Methods using or manipulating human embryos or fetuses
- Human parthenogenesis (asexual female reproduction)
- In vitro fertilization (IVF)
- Methods or compositions for prolonging life or preventing aging
- Cells/cell lines from indigenous peoples
- Native plant, plant extract or plant/animal products; indigenous therapies, traditional medicine using native plants
- Plant terminator technology
- Tobacco plant genetically engineered for increased nicotine production
- Synthetic or wholly engineered bacterial or viral genomes
- Diagnosis, screening, or treatments limited by race or ethnicity, in particular exclusion of races (e.g., personalized medicine)
- Treatments to enhance intelligence
- Products and/or methods of using controlled substances (Schedule I and II drugs), such as cocaine, PCP, LSD, barbiturates, amphetamines, opiates and their derivatives

*Applications having claims defining inventions which could endanger individuals, the environment, harm the security of our nation or threaten public safety.*

- Processes or products useful as biological weapons; detection or treatment of same (see attached chart from the Centers for Disease control outlining biological agents involved in biowarfare and bioterrorism).

Biological agents involved in bioterrorism or biocrimes

From “Emerging Infectious Diseases”, Centers for Disease Control, Volume 13, Number 12-December 2007

Pathogens: *Ascaris suum*, *Bacillus anthracis*, *Coxiella burnetii*, *Francisella tularensis*, *Giardia lamblia*, HIV,

Rickettsia prowazekii, typhus, Salmonella typhimurium, Salmonella typhi, Shigella species, Schistosoma species, Smallpox, Vibrio cholera, Viral encephalitides, Viral hemorrhagic fevers (Ebola), Yellow fever virus, Yersinia enterocolitica, Yersinia pestis

Toxins: Botulinum, Cholera endotoxin, Diphtheria toxin, Ricin, Snake toxin, Staphylococcal enterotoxin B, Tetrodotoxin

Anti-crop Agents: Rice blast, Rye stem rust, Wheat stem rust

*Applications claiming the prevention or curing of diseases which were previously considered impossible to prevent or cure, such as these non-limiting examples:*

1. Alzheimer's disease
2. common cold
3. dementia
4. mental retardation
5. HIV infection

### **TC 1700**

- Applications claiming inventions which seem trivial, mundane, frivolous, Silly or extremely basic, such as crimped peanut butter and jelly sandwiches, methods of swinging on a swing in a tree, etc. On these, pay special attention to the title, abstract and cover drawings.
- Room temperature superconductors
- Health or medicine related patent applications subject to extensive media coverage, such as
  - Panacea cure for disease or condition not known to be curable, such as AIDS, cancer, baldness, "mad cow" disease, etc.
  - Human cloning or chimeras
  - Stem Cell or Germ line gene therapy
  - Method of Machines to take human life (suicide)
  - Claiming prevention or curing of diseases which were previously considered impossible to prevent or cure
- Motor, Power plant, or other device which is self-sustaining (perpetual motion) or appears to violate the laws of chemistry or physics
- Cold Fusion, "hydrino" reaction, or "magnecule" as an energy source or any other production of excess heat outside of known chemistry or physics
- Anti-Global Warming devices or any other devices operating at the global scale
- Inventions which would endanger individuals, the environment, harm the security of our nation or threaten public safety.
- Applications with claims to computer programs or algorithms which have been rejected under 35 USC 101. Claims with computer programs or algorithms should be reviewed by TC SAWS POC or SAWS QAS before first Office Action
- Controversial, illegal, objectionable, or derogatory subject matter. Examples include marijuana cigarettes and pornography
- Compound claims only by functional characteristics – no structure claimed
- Third Party takeover of patent prosecution (not owner, not assignee, not inventor) usually unnamed, uncooperative inventor
- Applications related to patents presently being litigated
- Business Method claims
- Nanotechnology without specific disclosure as to appropriate method of manufacture

- Applications with long pendencies or multiple continuations going back 5 or more years (Submarine type applications)
- Application specifying race in the claims
- Applications identified as containing claims which would be subject to a 101 rejection in view of the Mayo v. Prometheus Decision
- Reexamination and Reissue cases in which:
  - Commissioner-ordered reexams, except those ordered because of prior art timely filed, but not considered, before the patent issued, or for prior art submitted under 37 CFR 1.501.

### **TC 2100**

1. (Automating a Known Process) Applications dealing with automating a known manual process;
2. (Litigation) Non Reexam/Reissue applications containing references to litigations;
3. (Industry Forming/influencing) Applications with pioneering scope;
4. (High Court Decisions) Applications having a CAFC or higher court decision in them;
5. (Homeland Security Specials) Applications having been made special containing subject matter dealing with homeland security being examined more than 12 months earlier than it would have been;
6. (Advocacy Group Prosecution) Applications in which a third party (usually unnamed) takes over prosecution of the patent application (not owner, assignee/licensee or inventor); and
7. (Affidavits) Applications containing broad claims and relying on affidavits or commercial success to overcome an otherwise proper 103 rejection.
8. (Patent/Trademark Processes or Systems) Applications reciting a process that PTO employees or IP attorneys practice, or a system the PTO or IP attorneys use.
9. Applications claiming inventions including explicit recitations or race, ethnicity, origin, or other prescribed populations etc. [newly added]

### **TC 2400**

1. Applications reciting business methods (Business Methods) or E-commerce systems that would significantly impact the industry (e.g., video or music distribution over network or phone);
2. Applications reciting processes the PTO employees or IP attorneys practice, or a system the PTO or IP attorneys use;
3. Applications or related applications involved in litigation;
4. Applications dealing with personal digital assistants (PDAs);
5. Convergence inventions: combinations of previously distinct devices or functions in a single device (e.g., smart phones, phones with media players);
6. Digital, internet or wireless versions of prior art device (e.g., fax over internet telephony, wireless sub-woofers);
7. Applications having been made special containing subject matter dealing with homeland security being examined more than 12 months earlier than ordinary (Homeland Security Specials);
8. Applications dealing with automating a known manual process (Automating a known Process); and
9. Applications containing broad claims and relying on affidavits of commercial success to overcome an otherwise proper (Affidavits).

## **TC 2600**

Examples of categories of potential SAWS subject matter specific to TC2600 include:

1. Smartphones and other convergence-intensive devices.
2. Digital telephony and voice over IP or Internet systems.
3. Internet-enabled systems (e.g., podcasting).
4. E-commerce-related systems (e.g., music-download sales).

## **TC 2800**

Subject matter of special interest in TC 2800

1. Perpetual motion machines
2. Anti-gravity devices
3. Room temperature superconductivity
4. Free energy – Tachyons, etc.
5. Gain-Assisted Superluminal Light Propagation (faster than the speed of light)
6. Other matters that violate the general laws of physics
7. Applications containing claims to subject matter which, if issued, would generate unfavorable publicity for the USPTO
8. Applications reciting business methods or E-commerce system that would significantly impact the industry.
9. Emerging technologies implementing metamaterials – Application implementing metamaterials having negative refractive index to currently existing and know art in the invention to achieve an invisible, cloaking device around the object rendering the object invisible over certain band of wavelengths.

## **TC 2900**

1. Subject matter which is:

- Sexually explicit,
- controversial,
- illegal,
- inflammatory,
- offensive or derogatory, such as those which include caricatures or depictions.
- Explicit recitations of race, ethnicity, origins, or other prescribed populations.

2. Simple shapes

3. Applications dealing with inventions, which, if issued, would potentially generate extensive media coverage (i.e., news, blogs, forums).

4. If the title states an apparatus to take a human life (e.g. suicide machine) or an apparatus for abortion.

5. If the title states the invention is a motor or power plant, which is self-sustaining (e.g. perpetual motion machine, etc.) or which appears to violate the laws of physics (e.g. antigravity, faster than the

speed of light, etc.).

6. Reexamination and Reissue cases in which:

- Litigation involves the Supreme Court,
- Litigation where the judgment on a patent was either favorable or unfavorable and a high dollar amount was awarded to either party, or
- Technology/Companies that are recognized by the public or have been reported in the media or there is a high probability that the media would report on it in the future based on any action taken by the PTO.

### ***TC 3600***

TC-3600 Specific Subject Matter:

1. Applications with special Licensing and Review issues (e.g., disputes with DOD or DOE.)
2. Security Vault Applications.
3. Applications with claims specifically reciting statutes, or governmental functions, including functions of the USPTO.
4. Applications dealing with tax strategies.

### ***TC 3700***

Applications claiming subject matter which are controversial and/or newsworthy, for example:

- Processes and apparatus involving Education (class 434)
- Applications involving obscene or pornographic material
- Processes or products useful as biological weapons
- Fetal cell or fetal tissue based invention
- Claims either specifically directed to or encompassing human beings
- Methods using or manipulating human embryos or fetuses
- Embryonic stem cell technology and methods using same
- Human tissue or organ
- Methods or compositions for prolonging life or preventing aging
- In vitro fertilization
- Detection of, or treatment for, bio-terrorism agents such as anthrax, small pox, etc.
- Applications claiming the prevention or curing of diseases which were previously considered impossible to prevent or cure, such as:
  - Alzheimer's disease
  - common cold
  - dementia
  - mental retardation
  - HIV infection
- Business methods
- Applications claiming inflammatory or offensive subject matter
- Applications claiming games played in outer space
- Perpetual motion machines and processes
- Inventions directed towards telepathic communication/control systems

- Weather modification
- Circumventing governmental regulation of licensed gambling.
- Forms of gambling for minors.
- Forms of electronic entertainment which capitalize on gambling addiction.
- Erotic sex toys specifically adapted for minors.
- Games or electronic apparatus involving cruelty to animals.

—By Kate S. Gaudry and Adam H. Charnes, Kilpatrick Townsend & Stockton LLP

*Kate Gaudry, Ph.D., is an associate in Kilpatrick's Washington, D.C., office. Adam Charnes is a partner in the firm's Winston-Salem, North Carolina, office.*

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