

River within 1000 feet of the fireworks display at New Bern, NC, approximate position 35–00–15N 077–02–39W in the Captain of the Port, Sector North Carolina zone as defined in 33 CFR § 3.25–20.

(b) *Definition*: As used in this section *designated representative* means any U.S. Coast Guard commissioned, warrant or petty officer who has been authorized by the Captain of the Port, Sector North Carolina to act on his behalf.

(c) *Regulation*: (1) In accordance with the general regulations in 165.23 of this part, entry into this zone is prohibited unless authorized by the Captain of the Port, Sector North Carolina, NC, or designated representative.

(2) The operator of any vessel in the immediate vicinity of this safety zone shall: (i) stop the vessel immediately upon being directed to do so by any commissioned, warrant or petty officer on board a vessel displaying a U.S. Coast Guard Ensign.

(ii) Proceed as directed by any commissioned, warrant or petty officer on board a vessel displaying a U.S. Coast Guard Ensign.

(3) The Captain of the Port, Coast Guard Sector North Carolina Prevention Department, Morehead City, North Carolina can be contacted at telephone number (252) 247–4570 or (252) 247–4520.

(4) Coast Guard vessels enforcing the safety zone can be contacted on VHF-FM marine band radio, channel 13 (156.65 MHz) and channel 16 (156.8 MHz).

(d) *Enforcement period*: This regulation will be enforced from 6 p.m. to 8 p.m. on November 12, 2006.

Dated: October 20, 2006.

**William D. Lee,**

*Captain, U.S. Coast Guard, Captain of the Port, Sector North Carolina.*

[FR Doc. E6–18515 Filed 11–2–06; 8:45 am]

**BILLING CODE 4910–15–P**

## DEPARTMENT OF COMMERCE

### United States Patent and Trademark Office

#### 37 CFR Part 1

[Docket No.: PTO–P–2006–0005]

RIN 0651–AC01

### Changes To Eliminate the Disclosure Document Program

**AGENCY:** United States Patent and Trademark Office, Commerce.

**ACTION:** Final rule.

**SUMMARY:** The United States Patent and Trademark Office (Office) implemented the Disclosure Document Program in 1969 in order to provide an alternative form of evidence of conception of an invention to, for example, a “self-addressed envelope” containing a disclosure of an invention. It appears, however, that few, if any, inventors obtain any actual benefit from a disclosure document, and some inventors who use the Disclosure Document Program erroneously believe that they are actually filing an application for a patent. In addition, a provisional application for patent affords better benefits and protection to inventors than a disclosure document and could be used for the same purposes as a disclosure document if necessary. Therefore, the Office is eliminating the Disclosure Document Program.

**DATES:** *Effective Date:* February 1, 2007.

#### FOR FURTHER INFORMATION CONTACT:

Catherine M. Kirik, Office of the Commissioner for Patents, by telephone at (571) 272–8040, by mail addressed to: Mail Stop Comments—Patents, Commissioner for Patents, P.O. Box 1450, Alexandria, VA, 22313–1450, or by facsimile to (571) 273–0170, marked to the attention of Catherine M. Kirik.

**SUPPLEMENTARY INFORMATION:** The Disclosure Document Program allows an inventor to file a document with the Office which includes a written description and drawings of his or her invention in sufficient detail to enable a person of ordinary skill in the art to make and use the invention to establish a date of conception of an invention in the United States under 35 U.S.C. 104 prior to the application filing date. The inventor must sign the disclosure document and include a separate signed cover letter identifying the papers as a disclosure document. A disclosure document does not require either a claim in compliance with 35 U.S.C. 112, ¶ 2, or an inventor's oath (or declaration) under 35 U.S.C. 115, and is not accorded a patent application filing date. A disclosure document is to be destroyed by the Office after two years unless it is referred to in a separate letter in a related provisional or nonprovisional application filed within those two years. The filing fee for a disclosure document is \$10.00. *See* 37 CFR 1.21(c).

The Office implemented the Disclosure Document Program in 1969 in order to provide a form of evidence of conception of an invention as an alternative to forms such as a “self-addressed envelope.” *See Disclosure Document Program*, 34 FR 6003 (Apr. 2,

1969), 861 *Off. Gaz. Pat. Office* 1 (May 6, 1969). Since June of 1995, however, applicants have been able to file a provisional application for patent, which provides more benefits and protections to inventors than a disclosure document. A provisional application must contain a specification in compliance with 35 U.S.C. 112, ¶ 1, and drawings, if drawings are necessary to understand the invention described in the specification. A provisional application must name the inventors and be accompanied by a separate cover sheet identifying the papers as a provisional application. The basic filing fee for a provisional application by a small entity is \$100.00. *See* 37 CFR 1.16(d). A provisional application does not require a claim under 35 U.S.C. 112, ¶ 2, or an inventor's oath (or declaration) under 35 U.S.C. 115. While a nonprovisional application must be filed within twelve months of the filing date of a provisional application in order for the inventor to claim the benefit of the provisional application under 35 U.S.C. 119(e), the file of a provisional application is retained by the Office for at least twenty years, or longer if it is referenced in a patent or patent application publication (an abandoned provisional application is still retained for at least five years from the filing date of the provisional application if no nonprovisional application claiming benefit of the provisional application under 35 U.S.C. 119(e) has been filed). With respect to an invention claimed in a nonprovisional application that is entitled under 35 U.S.C. 119(e) to the benefit of a provisional application, the provisional application is considered a constructive reduction to practice of an invention as of the filing date accorded the application, if it describes the invention in sufficient detail to enable a person of ordinary skill in the art to make and use the invention and discloses the best mode known by the inventor for carrying out the invention. Thus, the disclosure requirements for a provisional application are similar to the disclosure requirements for a disclosure document, and a provisional application provides users with a filing date without starting the patent term period. Therefore, any benefit derived from the filing of a disclosure document may also be obtained from the filing of a provisional application.

A provisional application is, however, more useful to an inventor than a disclosure document. A provisional application, just like a nonprovisional application, establishes a constructive reduction to practice date with respect

to an invention claimed in a nonprovisional application that is entitled under 35 U.S.C. 119(e) to the benefit of the provisional application and disclosed in the provisional application in the manner required by 35 U.S.C. 112, ¶ 1, and can be used under the Paris Convention to establish a priority date for foreign filing. A disclosure document, which is not a patent application, may only be used as evidence of a conception date of an invention under 35 U.S.C. 104 and therefore does not establish a constructive reduction to practice date for an invention described therein. Thus, to use a disclosure document to establish prior invention under 35 U.S.C. 102(g) or under 37 CFR 1.131, an inventor may rely on the disclosure document to demonstrate that he or she conceived of the invention first, but the inventor may also be required to demonstrate that he or she was reasonably diligent from a date just prior to: (1) The date of conception by the other party in an interference proceeding; or (2) the effective date of a reference being used by the Office to reject one or more claims of an application until the inventor's actual or constructive reduction to practice. With respect to an invention claimed in a nonprovisional application that is entitled under 35 U.S.C. 119(e) to the benefit of a provisional application and disclosed in the provisional application in the manner required by 35 U.S.C. 112, ¶ 1, however, the provisional application may be used to establish a constructive reduction to practice date as of the filing date of the provisional application.

Under 35 U.S.C. 102(b), any public use or sale of an invention in the U.S. or description of an invention in a patent or a printed publication anywhere in the world more than one year prior to the filing of a patent application on that invention will bar the grant of a patent. In addition, many foreign countries currently have what is known as an "absolute novelty" requirement which means that a public disclosure of an invention anywhere in the world prior to the filing date of an application for patent will act as a bar to the granting of any patent directed to the invention disclosed. Since a disclosure document is not a patent application, it does not help an inventor avoid the forfeiture of U.S. or foreign patent rights.

The Office has determined that it is now appropriate to eliminate the Disclosure Document Program because, *inter alia*, independent inventors have become more familiar with and are using provisional applications more

often than they were in 1998, and provisional applications provide more protections for independent inventors than disclosure documents.

The Office will continue to accept disclosure documents until February 1, 2007, and plans to return a flyer to each person submitting a disclosure document notifying him or her that the Office is terminating the Disclosure Document Program and will no longer accept disclosure documents on or after February 1, 2007. For disclosure documents received in the Office on or after February 1, 2007 (regardless of the date indicated on a postmark), the Office will return the disclosure document (with any fee included) to the person who submitted it (if possible) with a flyer notifying him or her that the Office has terminated the Disclosure Document Program.

#### Discussion of Specific Rules

Title 37 of the Code of Federal Regulations, Part 1, is amended as follows:

*Section 1.21:* Section 1.21(c) currently sets forth a fee (\$10.00) for filing a disclosure document. Section 1.21 is amended to remove and reserve paragraph (c) in view of the elimination of the Disclosure Document Program.

*Response to comments:* The Office published a notice proposing changes to eliminate the Disclosure Document Program. *See Changes to Eliminate the Disclosure Document Program*, 71 FR 17399 (Apr. 6, 2006), 1306 *Off. Gaz. Pat. Office* 22 (May 2, 2006) (proposed rule). The Office received comments from the American Intellectual Property Law Association (AIPLA), the United Inventors Association (UIA), and 23 individuals. The comments and the Office's responses to the comments follow:

*Comment 1:* Several comments supported the Office proposal to eliminate the Disclosure Document Program, citing confusion by independent inventors regarding the benefits supplied by a disclosure document.

*Response:* The Office is in this final rule proceeding with the elimination of the Disclosure Document Program.

*Comment 2:* Several comments suggested it was in the best interest of independent inventors to spend \$10.00 for a disclosure document filing rather than spending \$100.00 for a provisional application filing, and that only large entities could afford the provisional application filing fee. Another comment argued that independent inventors do not have the funds to pay an attorney to file a provisional application.

*Response:* It is inappropriate to just compare fees. The benefits of a provisional application are far greater than any benefit provided by a disclosure document. The majority of provisional applications filed since fiscal year 2002 are by small entity applicants, which does not support the position that small entities cannot afford the provisional application filing fee or the costs involved in preparing a provisional application.

*Comment 3:* Several comments argued that the one-year protection period afforded by a provisional application was too short.

*Response:* It is not appropriate to compare the one-year time period in 35 U.S.C. 119(e) to the two-year time period during which the Office will retain a disclosure document. A disclosure document is not a patent application and is not accorded a patent application filing date. A disclosure document has no more evidentiary value than an abandoned provisional application for which no benefit is ever claimed under 35 U.S.C. 119(e). The Office will retain an abandoned provisional application for at least five years from the filing date of the provisional application, even if no nonprovisional application claiming benefit of the provisional application under 35 U.S.C. 119(e) has been filed.

*Comment 4:* Several comments argued benefits to filing a provisional application cannot be compared to the benefits of filing a disclosure document because the benefit of constructive reduction to practice is the same regardless of which type of patent application is filed.

*Response:* A provisional application is, with respect to an invention claimed in a nonprovisional application that is entitled under 35 U.S.C. 119(e) to the benefit of a provisional application, considered a constructive reduction to practice of an invention as of the filing date accorded the application if the provisional application describes the invention in sufficient detail to enable a person of ordinary skill in the art to make and use the invention and discloses the best mode known by the inventor for carrying out the invention. A disclosure document, however, is not a patent application and therefore is not considered a constructive reduction to practice of an invention and may only be used as evidence of a date of conception of an invention under 35 U.S.C. 104.

*Comment 5:* Several comments argued that the Disclosure Document Program should not be eliminated as long as the United States remains a first-to-invent country, and also that inventors should

have the right to use the government as a witness through the Disclosure Document Program without relying upon a third party for corroboration.

*Response:* The fact that the United States uses a first-to-invent standard in determining the right to a patent does not make the Disclosure Document Program necessary. The United States used a first-to-invent standard in determining the right to a patent prior to 1969 without the need for a Disclosure Document Program. In addition, the core mission of the Office is the granting and issuing of patents and the registration of trademarks, and the disseminating to the public information with respect to patents and trademarks. See 35 U.S.C. 2(a). There is no reason why it is necessary or germane to its core missions for the Office to act as witness for inventors through the Disclosure Document Program. Furthermore, to the extent that the Disclosure Document Program acts as an evidence depository for the purpose of establishing a conception date, a provisional application can be used in the same fashion if necessary.

*Comment 6:* One comment argued that the Office assertions that “few, if any, inventors obtain any actual benefit from a disclosure document, and some inventors who use the Disclosure Document Program believe that they are actually filing an application for a patent” are not supported by verifiable evidence, such as opinion surveys. One comment argued that because of the long duration between submitting a disclosure document and obtaining a benefit from it, it is difficult to measure actual benefit. Another comment argued that it is unfair to judge the “conversion rate” of disclosure documents into provisional applications as an indicator of actual benefit.

*Response:* The Office issued over three million patents since 1976, and of these three million patents only 1,330 (0.04%) reference a disclosure document. Between fiscal years 2002 and 2005, the Office issued over 700,000 patents. While 86,087 disclosure documents were filed with the Office between fiscal years 2002 and 2005, of the over 700,000 patents issued between fiscal years 2002 and 2005, only 223 (0.03%) reference a disclosure document. That is, while the Office receives a large number of disclosure documents, there are relatively few instances in which a disclosure document is referenced in a subsequent patent. Thus, the Office maintains that few, if any, inventors obtain any actual benefit from a disclosure document (*i.e.*, through the filing of a subsequent patent application). The Office has received

sufficient feedback through its independent inventor outreach programs and from other Government agencies (*e.g.*, the Federal Trade Commission) to conclude that some inventors who use the Disclosure Document Program believe that they are actually filing an application for a patent. The Office has also been sued by an inventor who was under the impression that a disclosure document was a patent application. See *Akbar v. Dickinson*, Civil Action No. 99–1286 HHK (D.D.C. 1999) (Office motion to dismiss granted).

*Comment 7:* Several comments argued a disclosure document filing permits an independent inventor to tell potential investors the invention is “registered” with the Office, and encourages potential investors to sign non-disclosure agreements. One comment argued the Disclosure Document Program gives an “actual benefit” to inventors by easing fears that someone will steal their invention.

*Response:* The Document Disclosure Program was not and is not intended to be a vehicle for obtaining “registrations” from the Office. The Office does not “register” materials submitted in a disclosure document. There are commercial invention registries available that might be able to serve the registration functions desired by inventors. An inventor can ease fears that someone will steal his or her invention by taking other steps, such as the filing of a provisional application, or through the use of a commercial invention registry.

*Comment 8:* One comment cited a disclosure document as being instrumental in the receipt of his patent.

*Response:* A disclosure document may be relied upon as evidence of conception of invention in support of an affidavit or declaration under § 1.131. See MPEP 1706. A disclosure document, however, is only one of the types of evidence that may be relied upon as evidence of conception of invention in support of an affidavit or declaration under § 1.131. See MPEP 715.07 (an affidavit or declaration under § 1.131 may be supported by, for example, attached sketches, attached blueprints, attached photographs, attached reproductions of notebook entries, an accompanying model, attached supporting statements by witnesses, testimony given in an interference, or a disclosure document). The overwhelming majority of affidavits or declarations under § 1.131 do not rely upon a disclosure document as evidence of conception of invention and are acceptable without a disclosure document. Thus, a disclosure document

is not necessary for an applicant to establish a prior date of invention in an affidavit or declaration under § 1.131.

A disclosure document may also be relied upon during an interference proceeding to provide corroboration for a conception of the invention. The actual use of a disclosure document during an interference proceeding occurs about once every decade. In contrast, between 86 (fiscal year 2004) and 287 (fiscal year 1997) interferences have been declared each year during the last ten fiscal years. This incidental use of disclosure documents during interference proceedings likewise does not justify continuation of the Disclosure Document Program.

*Comment 9:* Many comments argued that independent inventors do not generally keep a fully documented, updated, and witnessed inventor’s notebook and thus rely on the Disclosure Document Program. One comment argued that elimination of the Disclosure Document Program would lead to increased use of self-addressed stamped envelopes (SASE) and a decrease of intellectual property creators registering a copyright with the Library of Congress. One comment argued individual inventors can achieve stronger protections through the use of an inventor’s notebook, because of possibility of witnesses, a disclosure more thorough than that in the Disclosure Document Program, and the lack of an expiration date.

*Response:* There is no reason why inventors could not use a properly maintained inventor’s laboratory notebook as an alternative to the Disclosure Document Program. An inventor’s laboratory notebook requires no filing fee and has no expiration date.

*Comment 10:* One comment included a proposal to privatize and manage the Disclosure Document Program should the Office decide to eliminate the Disclosure Document Program.

*Response:* The Disclosure Document Program is not an inherently governmental function of the Office, and there are no statutory provisions relating to the Disclosure Document Program. Therefore, it is not necessary for any non-governmental entity that wishes to manage a “disclosure document” type program to obtain approval from the Office.

*Comment 11:* One comment stated the Disclosure Document Program should remain in effect, with filings re-named “Non-Patent Information Record” to record idea conception. One comment argued for the retention of the Disclosure Document Program, along with the creation of a new “independent

inventor patent” having a term of seven years.

*Response:* As discussed previously, the core mission of the Office is the granting and issuing of patents and the registration of trademarks, and the disseminating to the public information with respect to patents and trademarks. Renaming or enhancing the Disclosure Document Program would not advance the core missions of the Office. In addition, viable alternatives to disclosure documents, such as notebooks and commercial invention registries, and provisional patent applications, currently exist. The creation of a new “independent inventor patent” having different rights and/or patent term would require a change to the patent statutes, and thus extends beyond the issues relating to the existing Disclosure Document Program.

### Rule Making Considerations

#### *Regulatory Flexibility Act*

For the reasons set forth herein, the Deputy General Counsel for General Law of the United States Patent and Trademark Office has certified to the Chief Counsel for Advocacy of the Small Business Administration that the changes in this final rule will not have a significant economic impact on a substantial number of small entities. *See* 5 U.S.C. 605(b). There is no statutory provision relating to the Disclosure Document Program. The program dates back to 1969, when commercial services were not as abundantly available. Now, there are commercially available “electronic notebooks” that may be used to document evidence of conception of an invention. In addition, inventors may maintain a logbook containing fixed pages that may be witnessed to document evidence of conception of an invention. These alternatives to a disclosure document are available to inventors at a cost that is comparable to or less than the fee for a disclosure document. Thus, the program is no longer necessary.

#### *Executive Order 13132*

This rule making does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (Aug. 4, 1999).

#### *Executive Order 12866*

This rule making has been determined to be not significant for purposes of Executive Order 12866 (Sept. 30, 1993).

#### *Paperwork Reduction Act*

The information collection requirements being suspended by this rule were approved in accordance with

the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) by the Office of Management and Budget (OMB) under 0651–0030 disclosure documents. Suspension of the reporting requirements under 0651–0030 is expected to reduce the public reporting burden by 4,445 hours and \$236,000. This final rule will thus not impose any additional reporting or recordkeeping requirements on the public.

Interested persons are requested to send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10202, 725 17th Street, NW., Washington, DC 20503, Attention: Desk Officer for the Patent and Trademark Office; and (2) Robert J. Spar, Director, Office of Patent Legal Administration, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313–1450.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

### List of Subjects 37 CFR Part 1

Administrative practice and procedure, Courts, Freedom of Information, Inventions and patents, Reporting and recordkeeping requirements, Small Businesses.

■ For the reasons set forth in the preamble, 37 CFR part 1 is amended as follows:

### PART 1—RULES OF PRACTICE IN PATENT CASES

■ 1. The authority citation for 37 CFR part 1 continues to read as follows:

*Authority:* 35 U.S.C. 2(b)(2).

#### § 1.21 [Amended]

■ 2. Section 1.21 is amended by removing and reserving paragraph (c).

Dated: October 27, 2006.

**Jon W. Dudas,**

*Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.*

[FR Doc. E6–18606 Filed 11–2–06; 8:45 am]

**BILLING CODE 3510–16–P**

## LIBRARY OF CONGRESS

### Copyright Office

#### 37 CFR Parts 201

[Docket Nos. RF 2006–2 and RF 2006–3]

### Designation as a Preexisting Subscription Service

**AGENCY:** Copyright Office, Library of Congress.

**ACTION:** Final order.

**SUMMARY:** The Copyright Royalty Board, acting pursuant to statute, referred a novel question of law to the Register of Copyrights concerning the designation of certain digital subscription music services as preexisting subscription services. Specifically, the Copyright Royalty Board requested a decision by the Register of Copyrights regarding whether the universe of preexisting subscription services was limited to three specific services. The Register of Copyrights, in a timely fashion, transmitted a Memorandum Opinion to the Copyright Royalty Board confirming that only three music services qualify as a preexisting subscription service for purposes of performing a sound recording publicly by means of a subscription digital audio transmission pursuant to a statutory license.

**DATES:** Effective Date: October 20, 2006.

#### FOR FURTHER INFORMATION CONTACT:

Renee Coe, Attorney Advisor, and Tanya M. Sandros, Associate General Counsel, Copyright GC/I&R, P.O. Box 70400, Southwest Station, Washington, DC 20024. Telephone: (202) 707–8380. Telefax: (202) 707–8366.

**SUPPLEMENTARY INFORMATION:** In the Copyright Royalty and Distribution Reform Act of 2004, Congress amended Title 17 to replace the copyright arbitration royalty panel with the Copyright Royalty Board (“Board”). One of the functions of the new Board is to make determinations and adjustments of reasonable terms and rates of royalty payments as provided in sections 112(e), 114, 115, 116, 118, 119 and 1004 of the Copyright Act. In any case in which a novel question of law concerning an interpretation of a provision of the Copyright Act is presented in a ratesetting proceeding, the Board has the authority to request a decision of the Register of Copyrights (“Register”), in writing, to resolve such questions. *See* 17 U.S.C. 802(f)(1)(B)(i). For this purpose, a “novel question of law” is a question of law that has not been determined in prior decisions, determinations, and rulings described in Section 803(a) of the Copyright Act.