November 2~~1~~2, 1996

Box Comments-Patents
Assistant Commissioner for Patents
Washington, DC 20231
Attn: Jeffrey V. Nase

Re: 1996 Changes to Patent Practice and Procedure

Thank you for the opportunity to comment on these proposed 1996 rule changes relating to patent practice and procedure. We have directed our comments primarily to a few areas having the greatest impact on our current practice.

Many of the proposed rule changes are to be commended in relieving us of significant burdens. For example, correction of inventorship under 37 CFR 1.48(a) has been greatly simplified in our view. The proposed revisions to 37 CFR 1.41 and 1.53 so that inventors need not be identified at the time the application is filed and can be changed if incorrect by simply submitting an oath/declaration signed by the correct inventors are definitely something we favor. We also view the simplification of the oath requirements under 37 CFR 1.175 for reissues as a welcome change.

However, there are three areas in the proposed changes of tremendous concern to us in that they could have a severe impact on current practice without compensating benefits:

1. Limitations on Amendments After Final Rejection.

The proposed amendments to 37 CFR 1.116 would limit amendments after final rejection to canceling claims or complying with any requirement of form expressly set forth in a previous office action. Any other amendments would have to be submitted concurrently with a request to refile the application under 37 CFR 1.53(b)(3) to be considered. The proposed elimination of first action final practice by the Office (changes to 37 CFR 1.113) is stated to be the quid pro quo for these proposed limitations.

The proposed changes to 37 CFR 1.116 would cause a number of undesirable events to occur:

a. **They will greatly inhibit the ability of applicants and the Examiner to reach many desirable agreements on allowable subject matter.** The first office action and the amendment in response thereto typically do not allow sufficient opportunity to clarify the issues that stand in the way of allowance. All too often, it is only after the second office action that it becomes clear what the *real* issues are. The ability to submit substantive amendments after this second office action thus becomes vitally important. It is not uncommon for an amendment to be submitted in response

to this second office action that resolves the outstanding issues and provides for allowance of the application, especially when the final rejection is primarily word quibbling. A simple telephonic interview in response at this time may also resolve these issues in a way mutually satisfactory to both the applicant and the Examiner.

The proposed changes to 37 CFR 1.116 would completely alter this desirable process. Since most second office actions are made FINAL, the proposed changes would no longer allow, much less encourage, fruitful discussions between the applicant and the Examiner as to whether there is any possible basis for allowance of the application at this crucial point in the prosecution. Instead, the applicant will have to refile the application to *force* consideration of these substantive amendments, rather than working cooperatively with the Examiner to reach agreement so as to dispose of the application once and for all. This will not facilitate the orderly advancement of prosecution and especially the disposal of the application in a timely manner.

b. **They will increase the number of refiled applications with no substantive benefit to either the applicant or the Examiner.** As noted above, the second office action is now normally made FINAL. This coupled with the changes to 37 CFR 1.116 will force the applicant to refile the application to have substantive amendments considered. The Office has already noted to the Patent bar the increase in numbers of applications that are filed each year. It is predicted that the number of refiled applications caused by the proposed rule change will simply add to this burden, especially as relates to the Office clerical staff and the mail room in particular.

This increased burden on the Office provides no substantive benefit to either the applicant or the Examiner. Under the current or proposed system, the Examiner would still get credit for a disposal. However, an application that might have issued with some discussion between the applicant and the Examiner will instead be recycled through the system. This is more likely to lead to an adversarial situation that prolongs, rather than ends, prosecution. Indeed, if the Examiner rejects the amended claims after refiling, the applicant will once again be in a same dilemma as to what to do gain allowance.

c.— **They will cause an increase in premature appeals to the Board.** The proposed changes to 37 CFR 1.116 will impose an additional burden on the Office by likely increasing the number of appeals to the Board. Faced with the prospect of refiling, a number of applicants may decide it would be better to simply by-pass the Examiner and request review of a final rejection by the Board. Ironically, the proposed changes will not even allow amendments that might put the application in better condition for such appeals. As a result, the Board may be inundated with premature appeals

where the issues are not fully developed. The prospect of such premature appeals is surely not something the Office wants to have to deal with.

d. **They will greatly increase requests for interviews immediately after the first office action.** Under the proposed changes to 37 CFR 1.116, an applicant's most obvious response to a first office action will be to seek an interview with the Examiner either by telephone or face-to-face. This may become necessary to ensure that both the applicant and the examiner have a comprehensive understanding of the issues and to try to find mutually acceptable wording for contested claims before final rejection is reached. While such interviews could be beneficial, it may not be advisable to have an interview at this early point in the prosecution, at least until after the applicant has had a chance to file a written amendment to try to clarify the issues. More importantly, if such interviews become standard in responding to all first office actions, arranging a system to handle such interviews may severely tax the Office's resources and would impose an unequal burden on those applicants who live far away from the Office.

The stated objective of these proposed changes to 37 CFR 1.116 is to reduce the burden on PTO resources. However, it is submitted, for reasons given above, that these proposed changes will actually *increase* the burden on the PTO in a variety of ways, as well as unduly delay the issuance of meritorious patents.

The real burden, as we understand it, is that Examiners feel they have insufficient time to draft and send out advisory actions in response to amendments after final. We are sympathetic to this problem and would like to propose an alternative that is less drastic than limiting amendments after final rejection to cancelling claims and correcting form issues.

What we propose is that substantive amendments after final rejection would be considered by the Examiner *if they are submitted at least one month in advance of the end of the response period.* (This would normally be two months after the mailing date of the office action.) To expedite processing, it could also be provided that such amendments would be faxed or hand carried to the relevant Examining Group. This would allow *diligent* applicants to propose substantive amendments after final rejection (and to have potentially fruitful interviews with the Examiner) without having the Examiners feel like they must rush out an advisory action. It would also allow those applicants who have decided to appeal to have one last opportunity to present the appealed claims in a better form.

2. Elimination of Submission of Models and Exhibits Unless Specifically Required by the Examiner.

The Office has proposed amending 37 CFR 1.91 to prevent the submission of "models," as well as "exhibits," unless required by the Office (e.g., the Examiner).

The reasons for these amendments are unclear. More importantly, these amendments may have the following undesirable consequences that may not have been intended by the Office:

a. **They could be viewed as eliminating options previously available to the applicant for demonstrating novelty and/or unobviousness at interviews between the claimed invention and the prior art.** This is particularly true for products or processes where the differences from the prior art are not intuitive but are based on unexpected results that may best be understood through the use of a physical demonstration. An example would be the case where a surprisingly different product than that disclosed in the prior art is produced by using similar ingredients but by altering the order of addition during processing. The applicant, by virtue of having observed the product or process at issue, is most likely to be in the best position to determine when a demonstration would be most beneficial for clarifying the differences between the claimed product or process and the prior art. Indeed, the use of demonstrations involving models or exhibits at interviews can be very beneficial to the Examiner's understanding of the differences between the claimed invention and prior art. Unfortunately, the proposed changes to 37 CFR 1.91 might be construed to prevent the applicant from using this important demonstrative evidence.

b. **It could be interpreted to prevent the inclusion of exhibits such as photographs, graphs and charts with Declarations under 37 CFR 1.132.** Even if the intent of the proposed changes to 37 CFR 1.91 is to prevent only the submission of three-dimensional models and exhibits, the wording of these changes is not so limited. Instead, the proposed changes could be interpreted to preclude the submission of two-dimensional objects as well, such as photographs, graphs and charts. Many Declarations under 37 CFR 1.132 are accompanied by such photographs, graphs and charts. Indeed, these Declarations can sometimes be difficult to understand unless accompanied by such exhibits.

For the reasons given above, the proposed changes to 37 CFR 1.91 are *unacceptable* in their present form, especially without additional explanation or clarification. Moreover, since models and exhibits are important demonstrative tools for interviews and Declarations under 37 CFR 1.132, we find any restriction on their use or submission to be a potential problem. We are particularly concerned about having the use or submission of such models or exhibits depend on permission from the Examiner. Usually, the applicant is in a far better position to determine whether such models or exhibits will be beneficial to the Examiner's

understanding. Moreover, such items cannot be presented as evidence to the Board or to the Court of Appeals for the Federal Circuit unless they are first entered into the record; this proposed rule change would make that much more difficult.

3. **Elimination of Rules Representing Instructions for the Operation of the Office**.

The Office has proposed eliminating a number of rules that it views as representing "instructions" on the operation of the Office. Instead, these "instructions" would be set out in the Manual of Patent Examining Procedure (MPEP). Rules alleged by the Office to fall into this category are 37 CFR 1.101 (Order of Examination), 1.104 (Nature of Examination; Examiner's Action), 1.105 (Completeness of Examiner's Action), 1.108 (Abandoned Applications Not Cited), 1.122 (Entry and Consideration of Amendments), 1.184 (Reconsideration of Cases Decided by Former Commissioners), 1.318 (Notification of National Publication of a Patent Based on an International Application), 1.325 (Other Mistakes Not Corrected), 37 CFR 1.351 (Amendments to Rules Will Be Published) and 1.352 (Publication of Notice of Proposed Amendments).

We are opposed to eliminating these rules. We feel these rules represent more than just "instructions" on the internal operation of the Office. Each of these rules has a potential effect on how the Office operates relative to those who use its services. This is especially true of 1.101, 1.104, 1.105, 1.108 and 1.122 that are specifically directed at the procedure for examining applications.

Putting these rules into the MPEP changes them to merely Office policy. As such, this policy can be changed at will, without comment or input from Patent bar. This violates the spirit of the Administrative Procedures Act where the public is given the opportunity to comment on proposed rule making. It would also create a grossly unlevel playing field where applicant's conduct before the Office would be subject to rules, while Examiners' conduct would not. We do not feel this equitable.

We especially do not understand how the elimination of these rules implements President Clinton's program to reduce the regulatory burden on the American public. These rules may possibly burden the Office or the Examining Corps. However, we feel these rules are necessary to hold the Office and the Examining Corps accountable for conduct applicants and their representatives feel is arbitrary, capricious or unreasonable. This would include the ability to pursue legal recourse in the relevant courts.

In conclusion, we again emphasize that, on the whole, we favor the proposed rule changes. There are some rule changes, such as the proposed new restriction practice after reissue, that we find somewhat objectionable but could live with. What we have particular problems with are the three areas discussed in detail above: (1) limitations on amendments after final rejection; (2) eliminating submission of models and exhibits unless specifically required by the Examiner; and (3) elimination of rules viewed as representing instructions for the operation of the Office. In the case of areas (1) and (2), we feel modifications of the

proposed rules as we have suggested would help remove our objections to them. In the case of area (3), we feel the elimination of these rules is simply not a good idea.

Very truly yours,

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