

From splr.com@mail.primary.netThu Nov 21 15:52:38 1996
Date: Thu, 21 Nov 1996 14:46:41 -0600 (CST)
From: "Senniger, Powers, Leavitt, & Roedel" <splr.com@mail.primary.net>
To: regreform@uspto.gov
Subject: Comments concerning 10/22/96 Notice of Proposed Rulemaking

Please refer to the attached WordPerfect 5.1 file for our comments regarding the Notice of Proposed Rulemaking published in the October 22, 1996 Official Gazette (Vol. 1191 Number 4).

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[Part 2, Attached file "KFJ1564" 18KB]
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TO THE COMMISSIONER OF PATENTS AND TRADEMARKS

Sir:

Please accept for consideration the following comments to the proposed rule changes appearing in the Official Gazette of October 22, 1996.

(a) 37 C.F.R. §1.116

We oppose the amendment to Rule 116 in its present form, which eliminates amendments of right after final rejection.

In our view, the practical effect of the new rule will be to virtually eliminate post final rejection prosecution. It has been the experience of the members of this firm that significant post final rejection negotiation and amendment takes place which results in the final allowance of applications, placement of the claims in better form for appeal and/or reduction in the number of issues on appeal. Our experience is that these negotiations are nearly always carried out rapidly (i.e., within the three month period for response from final). In applications where agreement is reached after final, the patents issue much more quickly than would occur if a continuation application was filed in order to have post final amendments considered.

We are of the opinion that the employee monitoring system of the Patent and Trademark Office will provide examiners with a strong incentive to require the filing of continuing applications, even where the post final rejection amendment places the case in form for allowance. As a result, applicants will be faced with substantial delays in issuance of patents. Under the GATT amendments to the patent laws, the term of these patents will be diminished because of the delay between filing

of a continuation application and an action on the merits. Moreover, filing of the continuation substantially increases the expense to the applicant. We also believe that the delay will in many cases cause a loss of clarity in the mind of the examiner (and also the patent lawyer) of the issues of patentability which were clear at the time of making the final rejection.

In our opinion, the Patent and Trademark Office is erroneously measuring efficiency of the examination process by reduction in the length of pendency of each individual application. In our opinion, the better measure is the total pendency of the application and related continuing applications. If the latter measured is used, then the procedure which results in the abandonment of the application without filing a continuation, or the allowance of the application must be preferred. We believe the present procedure, by which applicants may have post final rejections considered as a matter of right in certain limited circumstances, fosters more rapid conclusion of patent prosecution.

We do not agree that the elimination of the practice of first Office action final rejection in continuing application by amendment to 37 C.F.R. §1.113 can be accurately characterized as a *quid pro quo* for the effective elimination of post final rejection prosecution. In our opinion, 35 U.S.C. §132 requires the applicant to be permitted at least one response to a rejection of the application. The amendment of Rule 113 would simply bring the practice into line with the statute. Moreover, the problems identified above with regard to effectively eliminating post final rejection prosecution are not resolved by prohibiting a final rejection on the first Office action of the

continuation application. Applicant will still be subjected to delays in obtaining a patent, loss of patent term and substantially increased costs.

In the experience of the members of this firm, amendments are not submitted after final for the purpose of avoiding a first Office action final rejection in a continuing application. It has not been our experience that first Office action final rejections in continuing applications occur frequently enough to be of concern. If new issues of patentability cannot be raised by amendment in the parent application, it is the practice of this firm to file an appeal. If in the judgment of the attorney filing a preliminary amendment in a continuing application was improperly subjected to a final rejection, the finality of the rejection is argued and, if necessary, petitioned. Thus, even if it is accepted that elimination of first Office action final rejections is a concession to the patent bar, it is a poor bargain for the applicants who must concede effective elimination of post final rejection prosecution.

(b) 37 C.F.R. §1.121(a)(2) (ii) and (iv)

We do not favor adoption of the proposed changes to Rule 121(a)(2) (ii) and (iv). We would have no objection to a requirement for the submission of substitute pages to reduce the clerical burden on the Patent and Trademark Office of entering amendments. If a substitution of pages practice were implemented, we would favor a practice of permitting intermediate pages to be inserted on amendment (e.g., page 10/1, 10/2). This practice would limit the amount of page replacement which would occur by requiring every page affected by the amendment to be replaced.

The cancellation of claims without express direction from the applicant creates an opportunity for error and loss of right to the applicant. The potential is greater because the proposed rule change requires re-submission of claims which are unaffected by the amendment. The benefits to the Patent and Trademark Office of the proposed practice are far outweighed by the potential for inadvertent cancellation of claims, particularly when a better procedure for reducing the burden on the Office is available. We believe the better procedure would be to require submission of only pages which are affected by the amendments.