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**Sent:** Wednesday, May 03, 2006 2:16 PM
**To:** AB93Comments; AB94Comments
**Subject:** Comments

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May 3, 2006

The Honorable Jon Dudas
Under Secretary of Commerce for Intellectual Property
and Director of the United States Patent and Trademark Office
Mail Stop Comments
P.O. Box 1450
Alexandra, VA 22313-1450

Attn: Robert W. Bahr
Senior Patent Attorney
Office of the Deputy Commissioner
for Patent Examination Policy

Re: *Comments on Proposed Rules: "Changes to Practice for Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims"*
*71 Fed. Reg. 48 (January 3, 2006)*

*Comments on Proposed Rules: "Changes to Practice for the Examination of Claims in Patent Applications"*
*71 Fed. Reg. 61 (January 3, 2006)*

Dear Under Secretary Dudas:

The undersigned respectfully submits the following comments on the proposed rule changes published on January 3, 2006 respecting, first, continuation practice, and, second, examination of claims.

Changes to Practice for Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims

The Supplementary Information states that the proposed rule "will not have an effect on the vast majority of patent applications." It references 11,800 second or subsequent continuation/CIP applications and "just under 10,000" second or subsequent requests for continued examination. Thus the proposed drastic changes to longstanding practices of patent prosecution in the U.S. are aimed at only approximately 22,000 applications.

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The burden on prosecution that these changes will impose will be felt disproportionately in different technology centers and art units. At least in TC 1600, if not in other technology centers or art units, continuation practice is critical to the quality of issued patents. Unless and until TC 1600 examiners are given significantly more time to read, understand and examine complex biotechnology patents, continuation practice as it now stands needs to remain. The practice provides at least two benefits that increase the quality of biotechnology patents.

First, it often takes two or more continuation applications for examiners to understand all relevant aspects of the invention and the prior art around the invention. Should the proposed rules be adopted, some patent applicants will be wrongfully denied their patents in those cases when examination is effectively cut off after only one continuation before the examiner was able to thoroughly understand the invention and prior art. Appeals will not be a complete remedy because the record will not yet be fully developed, and because many applicants will not be able to afford the costs of pursuing appeals. Small businesses especially will be vulnerable in this regard. Delay of issuance of a patent is bad enough, but denial of patents that should be granted because of procedural rules limiting examination would be contrary to the intent of the Constitution and our patent laws.

Second, it has been reported that examiners of complex technology take more than their allotted time in examining an original application knowing that they can make up this time in examining subsequent continuations. The quality of examination in complex technologies will degrade if examiners do not continue to have the ability to devote more time to certain applications when warranted by their complexity.

The Supplemental Information in the rules package also indicates that about 18,500 applications filed last year were divisional applications. This is very nearly the same number of applications at which the proposed rules are aimed at eliminating. A more constructive solution, and one that has needed addressing for many years, thus presents itself – the reformation of restriction practice. Very nearly the same number of patent applications would be affected. Some have said that restriction reform would not affect the workload of the office because each restricted invention would require the same amount of work to examine in the original application as it does in a divisional application. This argument is deficient. For example, in TC 1600, it would not take three times the work to examine proteins, DNA and antibodies in a single application as it does to examine any one of the three. The examiner spends more time examining the three inventions in three different applications than she would by examining all three in a single application at one time. Major efficiencies could be realized by the examiner looking at all three technologies at the same time. European examiners are able to function quite well under a unity of invention standard.

The proposed rules would actually encourage applicants to file more divisional applications than they currently file. According to the rules, a divisional application can claim priority to only a single prior-filed application. Therefore the patent applicant who files an original application will be forced to file all of its divisionals at the time either the original application is about to issue or at the same time as a continuation or RCE is filed from the original application. In biotechnology, ten-way restriction requirements are common, and

160-way or more restriction requirements are known. The effect of this rule change on the patent office and on patent applicants would be staggering. Furthermore, small businesses less able to file and prosecute multiple divisionals at one time would be disproportionately affected.

If the goal of these proposed changes is to significantly reduce the number of applications that examiners examine in a way that significantly reduces the workload of examiners, these proposed changes will not accomplish that goal. The amount of time and effort examiners place into an application that has matured into second or subsequent continuations is a fraction of the time an examiner puts into an original application or even a first continuation application. Thus, to use the Office's figures, the amount of work saved will not be (11,800 + 10,000) second and subsequent continuations/CIP applications and requests for continued examinations divided by (317,000 + 52,000) total nonprovisional applications and requests, or 5.9% of its total workload. The amount of saved work will be significantly less than 5.9% given the efficiencies generated in examining second and subsequent continuations and RCEs compared to original applications.

When CIP practice is taken into account, and its effects subtracted from the statistics presented by the office, the savings is even smaller. Frequently an applicant will file two or more CIPs in series off of an original application as new work is done on complex inventions in rapidly advancing sciences such as biotechnology. As such CIPs are filed, the prior application in the chain is abandoned, almost always without the examiner ever picking it up. Thus, an application that is fourth in a CIP series often is actually the first in the series to be substantively examined as an "original" application. A continuation from it would appear to be a fifth examined application when it reality it would be the second to be substantively examined. At a minimum, the proposed rules should be modified so as to exclude from counting, for the purposes of the proposed rules, original applications and CIP applications from which (1) CIPs are filed when (2) such prior applications are abandoned before the issuance of a first action on the merits.

A more dramatic reduction in examiner workload would occur if examiners had fewer original applications to examine. If examiners had 22,800 fewer original applications to examine, then the time savings they would reap would be significantly higher than if they had 22,800 fewer continuations and RCEs to examine. This could be achieved if an applicant was permitted to defer examination of an application for a defined period of time. By the end of the defined period of time, a significant fraction of applications would be known by their applicants to have little or no commercial value and so would be abandoned. The amount of work saved by deferring examination would greatly exceed the amount of work these proposals seek to save. A deferred examination system would focus examiner resources on commercially valuable patents. Deferred examination would permit applicants to make more rational decisions about their patent portfolio. The proposed rules would degrade an applicant's ability to get patents, not for substantive reasons but because of arbitrary procedural rules. The proposed rules would disproportionately affect complex inventions and small businesses. Many commercially valuable patents would be weakened or completely lost under the proposed rules. Significant patent office and applicant resources would be expended on applications that turned out to be commercially valueless.

Stated another way, the net effect of the proposed rules would be to arbitrarily declare as prior art items that were not in reality prior art simply because an applicant needed to file "too many" continuation applications or requests for continued prosecution in order to get full patent coverage to which she was entitled. Better solutions to the problem exist.

Changes to Practice for the Examination of Claims in Patent Applications

The purpose of the proposed rules regarding examination of claims is stated to allow examiners the ability to focus their attention initially on select claims that are representative of the invention without needing to examine all dependent claims. The applicant is strongly encouraged to ensure that there are no more than ten independent and designated dependent claims by requiring an applicant with more than ten such claims to submit an "examination support document". This document would ensure that every resulting patent would be inherently weak given inequitable conduct practice.

The proposed rules ignore the fact that certain complex arts, such as biotechnology, require as best practices the filing of more than ten independent claims that usually are restricted into numerous groups. Designating claims will not affect the examination of a patent until after an election is made in response to a restriction requirement. Since designating claims will not affect examination until after a restriction requirement and an election in response have been made, the proposed rules should, therefore, at a minimum be modified so as to count designated claims only after it has been determined whether there will be a restriction requirement, and, if so, after a group of claims has been elected.

Very truly yours,

Michael K. Kirschner

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