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From: Tom Adams [mailto:tadams@rennerotto.com]

Sent: Tuesday, May 02, 2006 6:04 PM

To: AB93Comments

Subject: Comments on Proposed Continuation and Claims Rule Changes

Dear Sir:

We are writing, as individual patent attorneys, to submit our comments on the proposed rule changes to continuation practice, announced in 71 FR 48 and in 71 FR 61.

As an initial comment, it is our opinion that the USPTO, having fallen into a backlog situation is unfairly and in contravention of law attempting to shift the burden away from itself and onto applicants in an attempt to remedy the problem. It is our opinion that this attempt is overly harsh and it will penalize companies and individuals in many ways, some of which may be completely unforeseen by USPTO.

Regarding continuation practice, there are already safeguards in place to protect against the abuse of continuation practice by the applicant (e.g., patent term limited to 20 years from priority date (by statute); double-patenting (by statute); obviousness-type double patenting (judicially created by with the force of law). Additional factors limiting continuation and divisional applications are the additional fees required to prepare, file, prosecute applications and to maintain the issued patents.

In general, if changes need to be made, it is for Congress, not the Director, to decide matters that directly impact upon the rights of inventors to protect their inventions which is, of course, guaranteed in the U.S. Constitution.

Our opposition to these proposed rule changes is based on the following specifics:

1. At least some of the proposed changes are contrary to law as set forth in 35 U.S.C. It is clearly not the intent of Congress for the Patent Office limit the number of applications that an applicant may file or the number of inventive concepts that an application may pursue. To do so would stifle inventors' right to protect their inventions. Further, there would be a disincentive to disclose all inventive concepts in a patent application, thereby resulting in two possible outcomes: 1) an increase in applications having divergent subject matter that would have otherwise been presented in a single application and 2) the complete omission of certain concepts from patent applications, which would lead to the failure of the Constitutional mandate of advancing the useful arts by public disclosure of new technological understanding.

35 USC 120 provides

An application for patent for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States, or as provided by section 363 of this title, which is filed by an inventor or

inventors named in the previously filed application shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application. No application shall be entitled to the benefit of an earlier filed application under this section unless an amendment containing the specific reference to the earlier filed application is submitted at such time during the pendency of the application as required by the Director. The Director may consider the failure to submit such an amendment within that time period as a waiver of any benefit under this section. The Director may establish procedures, including the payment of a surcharge, to accept an unintentionally delayed submission of an amendment under this section.

The **only** discretion given the Director in the provisions of Section 120 is in providing rules for the amendment of the divisional or continuation application to refer back to the parent. There is no discretion allowing the Director to promulgate rules such as those currently proposed, limiting in any way the number of applications which can be filed in accordance with Section 120.

The lack of discretion of the Director to limit in any way the filing of applications in accordance with Section 120 is further reflected in 35 USC 121, the text of which is not reproduced here.

35 USC 131 provides:

The Director shall cause an examination to be made of the application and the alleged new invention; and if on such examination it appears that the applicant is entitled to a patent under the law, the Director shall issue a patent therefor.

The Director must comply with the mandatory language. There is no discretion provided to the Director in Section 131 for the Director to refuse to examine or reexamine any application.

35 USC 132 provides:

(a) Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Director shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application; and if after receiving such notice, the applicant persists in his claim for a patent, with or without amendment, the application shall be reexamined. No amendment shall introduce new matter into the disclosure of the invention.

(b) The Director shall prescribe regulations to provide for the continued examination of applications for patent at the request of the applicant. The Director may establish appropriate fees for such continued examination and shall provide a 50 percent reduction

in such fees for small entities that qualify for reduced fees under section 41(h)(1) of this title.

Again, there is no discretion provided to the Director in Section 132 for the Director either to refuse to reexamine any application or to limit the number of times an applicant can request reexamination of his application.

Note in particular the mandatory language of the penultimate clause the first sentence of 132(a): "the application **shall be** reexamined." The Director is empowered to prescribe regulations to provide for continued examination of applications, but there is nothing in this statute giving the Director any authority to deny Applicant's right to submit such request for reexamination of his application.

While the Director may argue that the proposed new rules allow for reexamination of such applications, on sufficient showing, it is our opinion that even this proposal is contrary to law. This is simply because, unless the Office accepts virtually any reason offered by an applicant, the Director will necessarily contravene the statute any time the Office denies an applicant to right to file a continuation application or an RCE or in any other way refuses further examination of his application.

While the RCE is a creature of 37 CFR and thus set by the Director, the Rule is based on the foregoing statutory provisions, and for the reasons stated, there is no discretion provided to the Director by the statute to deny such request for reexamination.

The foregoing does not intend to constitute all of the statute-based reasons, but is merely exemplary. Other provisions are quite likely pertinent, such as all of Section 101 and the opening words of Section 102, "A person shall be entitled to a patent unless..." and all of the reasons following for refusing a patent are based on prior art, not on USPTO Rules and not on the discretion of the Director.

2. The proposed rule requiring the parallel filing of divisional applications will not reduce the backlog, but will materially increase it. This is so because under the present system, applicants are allowed to prosecute divisional applications in parallel or serially. By taking away the serial option, all of the divisional applications will be filed at one time. While the actual number of applications resulting in restriction requirements giving rise to multiple divisional applications may be relatively small, this requirement will necessarily increase the backlog, not reduce it.

Furthermore, a significant factor in any requirement that divisional patent application filings be filed in parallel would be the substantial financial burden on applicants because they would have to pay filing fees and attorney fees all at one time rather than serially. This is contrary to the concept of promoting science and the useful arts in that reduced divisional patent application filings may reduce the protection to the applicants and the incentive for the applicants to continue further development of their inventions.

3. USPTO's own practices have very much contributed to and caused the present backlog situation.

First, the examiner corps is all too quick to issue restriction and election of species requirements. For this reason, a large number of the divisional applications currently clogging the system are created by this unduly restrictive practice. The USPTO would be better served by considering changes to restriction practice.

Second, the examiner corps is all too quick to issue a final rejection, rejections that are all too often completely unsupported by the prior art and/or that misapply the legal standards for patentability. As it stands now, applicants almost always get only one chance to amend an application, after which, if the examiner's demands are not met, a final rejection ensues and the applicant is left with little recourse beyond appeal or filing an RCE. Examiners rarely issue a second non-final Office Action, and rarely enter after-final amendments offered to try to get the application allowed, seemingly preferring to force an appeal or RCE filing. All of these practices contribute to the increasing number of both continuations and RCEs. The RCEs are necessitated for obvious reasons, and the continuations are necessitated when an examiner allows some narrow claims while the applicant needs and believes is it entitled to broader patent protection.

4. The proposed Rule changes relating to limitation of continuation, divisional and RCE of application, together with the proposed Rule change simultaneously announced at 71 FR 61, Changes to Practice for the Examination of Claims in Patent Applications, will effectively create a "Catch 22" for many applicants. This will be particularly the case for large, complex inventions, where many different patentable inventions are embodied in the product of a long term research and development project. If an applicant is limited by the number of applications containing similar or same disclosure but different claim sets, the number of claims presented in a single application and an arbitrary number of divisional or continuation (or RCE) applications, it may become practicably impossible, or at least much more difficult, expensive and time-consuming to obtain patent protection for the full scope of the inventions embodied in the large, complex invention.

Again, as noted in our initial comment, it is our opinion that the USPTO, having fallen into a backlog situation is unfairly and in contravention of law attempting to shift the burden away from itself and onto applicants in an attempt to remedy the problem.

From a presentation of these proposed rule changes in Cleveland, In February 2006, we understood from the presenter's comments that it is the purpose of the USPTO to shift a substantial amount of the burden from the USPTO to its customers and to reduce the number of patent applications filed and patents issued. Such a shift would be at the expense of applicants' rights. In response to questions raised by the audience, such as the inequity encountered, for example, if an examiner would raise an unreasonable restriction requirement or would be unreasonable in selecting which/how many claims would be examined, the presenter suggested raising a complaint to the examiner's supervisor.

Would an applicant really feel comfortable lodging with a supervisor a complaint about an examiner, when that applicant will have to deal with the examiner subsequently? Virtually all of the audience appeared to be surprised at both the harshness of the proposed changes and at the presenter's few points of mitigation offered to applicants in exchange for the rather drastic changes in the proposed Rules.

One point of supposed mitigation offered by the presenter in Cleveland was that the RCE limitation would force more applicants to go to appeal, since the Board of Appeals' backlog currently has fallen from the previous outrageously long appeal pendency of about three years to less than one year. In our opinion, all that will happen if this shift occurs is that the pendency time will again increase, once again unfairly penalizing applicants as a result of the Office's own practices, such as the rush to final rejection noted above.

For at least the foregoing reasons, we strongly oppose the changes proposed in both 71 FR 48 and in 71 FR 61.

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