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From: Will A. Rodger [mailto:WRodger@ccianet.org]

Sent: Wednesday, May 03, 2006 5:53 PM

To: AB93Comments

Subject: CCIA Submission on Continuation NPR

Please find attached CCIA's submission regarding the PTO's proposed changes to continuation practice and other matters.

Via email to AB93Comments@uspto.gov

RE: Changes To Practice for Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims

CCIA supports the PTO's proposed regulations on continuations and applauds PTO efforts to discipline and delimit the opportunities for tactical behavior.

Although we believe that legislation, such as the provisions in the original HR 2795, are needed to curtail the worst abuses of continuation practice, PTO's proposed regulations represent a commendable effort to manage the problems of continuation patents with administrative tools. The proposed regulations raise a number of questions about the efficient management of patent-related knowledge, but it is important that PTO assume responsibility for the integrity of the system as a whole without being unduly influenced by practitioner and applicant demands for maximum maneuverability.

The PTO's obligations for stewardship are especially important as a corrective to the "help customers get patents" mission that the agency embraced in the 1990s. That excursion, along with certain, unfortunate decisions of the Court of Appeals for the Federal Circuit, has fostered a perception that applicants and their attorneys are entitled to abuse the system. In many of the practitioner responses, we see an inappropriate concern for maneuverability to the detriment of disclosure and transparency.

While submarine patenting has been curtailed by the adoption of a fixed term from filing and 18-month publication, continuations remain a useful tool for extending the patenting process for tactical reasons. By monitoring solutions that are adopted in standards processes or by competitors, patent applicants can rewrite claims to capture the value of economic activity performed by others. This use of patents to misappropriate the work of others was never intended to be part of the patent incentive.

Furthermore, as the FTC hearings made clear, disclosure in the IT sector is failing of its essential purpose. Written description and enablement requirements may be the law in individual cases, but it seems that most innovators in IT conclude that it is simply not cost-effective to read patents for their technical content. This is not only due to the risks of willful infringement but because there are simply too many patents, and many of them are of questionable validity or quality. Continuation practice contributes to the problem by allowing applicants to expand the scope of the patent over time, thereby undermining the practical ability of innovators to avoid inadvertent infringement. We are hopeful that, in the future, post-grant review will help PTO gain a broader, systemic perspective on the patent system that will better attune the agency to the need for better balance between patent applicants and other innovators – including the need to respect, monitor, and reinvigorate the disclosure function.

No other country follows the U.S. practice of continuation applications, and scholars have been highly critical of continuation applications for a wide variety of reasons. See Mark A. Lemley and Kimberly A. Moore, Ending Abuse of Patent Continuations, 84 *Boston U. L. Rev.* 63 (2004). Others suggest that continuations may be especially damaging to open source software development; see "The Use of USPTO 'Continuation'

Applications in the Patenting of Software: Implications for Free and Open Source.” with David C. Mowery, in *Law & Policy*, Vol. 27 (1), pp. 128-151.

The best solution may be to abolish continuations prospectively, since there are other procedural tools that can be used in their place. However, we are aware that the case for continuation applications may be stronger in other sectors, such as biotechnology, where the patenting process takes place in the unfolding of science-based knowledge. In information technology, by contrast, there are usually many different ways to achieve similar results and therefore an arbitrariness to particular solutions. If innovators know about where patents lie in advance, they can avoid them, but there is seldom a practical means for doing so. The use of continuations (as well as other means of amending patent claims) is especially dangerous in the IT sector, because continuations can be used undermine large sunk investments by competitors, or, even worse, industry-wide investments in common standards.

We appreciate the agency’s willingness to grapple with the problem. If the PTO deems it advisable to proceed more cautiously, it should consider implementing the new rules for the IT sector where continuations are especially dangerous and less accepted by industry. Given the accrued complexity of patent law and the rampant opportunism in patent prosecution, the PTO should be willing to experiment and to learn from experience. We hope that the PTO is willing to monitor and evaluate solutions to the anomalous use of continuations in the U.S. so that the public can benefit from coherent, reviewable information on reform.