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**To:** AB93Comments

**Subject:** Comments on proposed changes in the rules

I have had the benefit of having attended an AIPLA town hall meeting on April 7, 2006 in New York City. This helped to clarify the reasoning of the patent office in making the changes that it suggested.

The Commissioner asked, at that meeting, for suggestions as to how PTO practice could be changed (in ways other than those proposed by the PTO) in order achieve what he considers to be the absolute requirement to reduce the load on the patent office. No one can disagree with the need for the office to find a way to reduce the load. Rather than discuss what is wrong with the proposals, which I am sure is being discussed in numerous papers submitted by others, I will provide two sets of alternate solutions that can have a far greater effect on the patent office load than any and all of the proposals made by the office, without the terrible effects on patent practice that the PTO proposed changes would cause.

I: Look at what other Patent Offices do.

The USPTO has an almost unique methodology (among large patent offices) for handling patent applications. In particular, all applications are searched and examined based on an initial application. The office has recently agreed to refund search and Examination fees for applications that are withdrawn before search. This is a step in the right direction, but a small step.

The commissioner spoke of the practice of deferred examination in the JPO. However, there was no mention of any possibility of adopting it or of systems used in other countries.

**FIRST SUGGESTION:**

I suggest the following methodology for patent examination, in the USPTO. Since I practice in Israel and my practice is more international than most, the present suggestion combines what I think are the best parts of practice in various jurisdictions:

A) Filing of the application, together with a filing fee and publication fee. No claim fees should be assessed at this time.

B) Publication at 18 months of the application as filed.

C) A notification by the patent office to the patentee that the case is ready for search and examination, 6 months before the case is ready for examination, but no sooner than 24 months after filing.

D) In response to the notification in C, the patentee will file claims for search and examination, claims fees, fees for search and examination and an information disclosure statement. Failure to respond will result in abandonment.

E) The PTO will then carry out search and examination as usual. A modified restriction practice is suggested below, to further reduce the load on the office.

As an alternative to D and E:

F) In response to the notification in C, the patentee will file claims for search, claims fees, fees for search and an information disclosure statement. Failure to respond will result in abandonment.

G) The PTO will search the claims and issue a search report.

H) The applicant will pay an examination fee and optionally provide new claims. Failure to respond to the search report will result in abandonment.

I) The office will carry out examination as at present.

The advantages of this system are self evident. The only disadvantage to the office is that the fees paid for many applications will be lower. However, the number of applications that have to be handled by technically competent examiners will be greatly reduced. I believe that the present overload will be greatly ameliorated, if not disappear.

Furthermore, since the applicant may have more information when search and examination are requested, the claims can be honed to what is important and what is believed to be patentable. This will especially be true in the case of separate search and examination as carried out in the EPO for example. It is important that the fee be paid with the request and not on application as present. When a client has to pay a fee, he considers whether to go ahead. If the fee has already been paid, there is less likelihood that the case will be withdrawn.

I suggest that multiple inventions be *searched* in a single application. If the Examiner finds that there are multiple inventions, then the applicant should be asked to pay additional search fees. Searching multiple inventions in a single application will result in a procedure in which many fewer applications will be filed, since many "inventions" will be dropped, based on the search. Restriction (as opposed to additional fees) should be instituted only at the examination stage.

There are also other advantages to the applicant and the public from adopting this methodology, in whole or in part. Firstly, the applicant will be able, without immediate cost, to detail all the inventions that are believed to be present in the application. Since many applications cover systems with multiple inventive concepts, this will be a boon, especially to start up and small companies. The public will benefit from earlier notice of possible patentable subject matter in the claims and the applicant will know, up front, what is potentially patentable.

Applicants who want immediate examination should be able to receive it, for a surcharge. The present system for making special is too cumbersome to use for this purpose.

#### **SECOND SUGGESTION:**

In order to immediately reduce the load on the patent office, I suggest that for all applications that have not yet been distributed to Examiners, the office send letters as in C to the applicant. This letter should notify the applicant that the case is ready for search/examination and offer to *refund* fees already paid for search and examination. It should not be limited to cases filed recently in which the fee was broken down into basic, search and examination fees, but should apply also to earlier filed applications.

#### **II: Correct what the office is doing wrong (in no particular order)**

The present patent office practice is in great measure to blame for the situation that the patent office is in. Changes in the way the office deals with certain matters can have a much greater effect on the number of applications and the workload than the PTO proposed changes.

#### **THIRD SUGGESTION**

No one files RCEs or continuations unless they feel that they have no choice. The patent office gives every incentive to Examiners to force the filing of RCEs since this is a way to get cheap points. I and other have recently come across the phenomena of Examiners being willing to discuss the case after final (for example in a telephone interview) only after determining if an RCE was being filed. Every one of the 27% of RCEs that was allowed on the first office action could have been allowed after final, had the Examiner's but wanted to. But the Examiners have no incentive to do so and every incentive not to. So my third suggestion is to remove the incentive, by not giving any points to an Examiner for an RCE.

#### **FOURTH SUGGESTION**

Furthermore, the office should encourage Examiners in other ways to deal constructively with applications after final. Regulations which were meant to protect the office from dealing with repeated changes after final have turned into a shield behind which Examiners regularly do not deal with issues that would lead to allowance of the cases or a clearer rejection. I have had the experience of Examiner's who have not carefully considered submissions submitted after final until they were called on the phone and forced to consider them, by having them explained to them.

In view of the fact that many final rejections are based on new prior art references, many of which are easily overcome, I propose that when a new reference is used, the applicant shall have one more chance to amend the claims, which the Examiner will then search and respond to. I believe that this will result in many allowances and avoid the cost and bother of filing additional applications. There can be some limits to the number of times this can happen, but "0" times, as at present, is just too few.

#### **FIFTH SUGGESTION**

I also propose that the office be stricter with Examiners in following the rules with respect to finality, and with respect to complete responses. In particular, Examiners regularly ignore arguments made by applicants. It has now become fashionable for Examiners to find an equivalent reference and make the same argument as before, without having to answer the applicant's arguments. To overcome this, a better quality assurance procedure is necessary. It is important that petitions against actions by the Examiners be dealt with outside the direct chain of command of the examiner himself to avoid a natural bias.

#### **SIXTH AND SEVENTH SUGGESTIONS**

In order to force Examiners to do their work correctly, I propose that the office revert to the system in which the examiner could not raise a new grounds of rejection in appeal. This forced the Examiners to prepare their final rejections correctly, since failure to do so would result in allowance, based on their failure to do so. Under the present system, the Examiners have no reason to provide a final rejection that can form the basis for a well based appeal. I further propose that there be some sort of sanction based on the percentage of appeals lost (or even partly lost) by the particular Examiner.

#### **EIGHTH SUGGESTION**

The present restriction procedure is too ungainly and subject to great abuse. It often happens that a single application will have 10 or more species and inventions listed when in effect a single apparatus is being defined and natural variations of a basic idea are being claimed. I propose that the "unity of invention" definition be adopted and that it be applied in a reasonable manner as it is in Europe.

### **NINTH SUGGESTION**

The office has, due to recent CAFC rulings, adequate remedies for dealing with abuses of the type that the PTO proposed changes are meant to solve. Strict enforcement against abuse of the system as outlined in the court will go a long way toward making them go away. However, I believe, and nothing I heard from the commissioner disagreed with this, that the abusive cases are a very small minority. Doing away with them is near the bottom of the list for this reason.

### **TENTH SUGGESTION**

Another practice that is out of synch with other patent offices is the method of charging for dependent claims. A dependent claim requires searching and analysis once. A multiply dependent claim should not be charged multiple times. This only results in its being listed multiple times, with subsequent complexity of the application. If the rest of the world can deal with multiply dependent claims without multiple claim fees, so can the USPTO. Similarly, if the rest of the world can deal with multiple/multiple dependencies, so can the US.

I will not attempt to list all the problems that the changes proposed by the PTO will cause. I will also not belabor the fact that these changes will mainly hurt the small companies and individuals without the resources to adequately protect their legitimate interests. Every single one of the proposals will rob applicants of a legitimate opportunity to protect their inventions. This is especially true of the limitation on numbers of claims examined, since it is pretty clear that this is a defacto restriction without the right to file a divisional. The proposals will cause filings which probably would never occur, to occur early, for those who can afford it. For those without enormous means it will mean giving up rights.

The patentability reports which were proposed will increase the cost of filings by several thousand dollars, at least, since no attorney will be able to produce such documents inexpensively, considering malpractice problems. Nor will I analyze the proposition, with which I agree, that the patent office will be worse off after the changes than before, in having to deal with loads of petitions and an increase in filings, which was so clearly presented at the round table at the end of the meeting.

However, I do want to state, as I did at the meeting, that the reasoning presented for the changes is fundamentally flawed in two ways. It looks to making changes which, at best would reduce the load by a few percentage points, based on an analysis of the numbers of patents filed. In fact, as a practitioner of 18 years, I find that the main reason why we file RCEs and continuations has nothing to do with some sort of greed on the part of patentees. Rather, the attitude and the way Examiner's are compensated *forces* the great majority of the patentees to file RCEs and continuations. Thus, I believe that the above proposals will have a far more positive effect on the workload at the office without the side effects of the PTO proposed changes. To me the PTO proposed changes are like a drug, of unproven value with lots of side effects. They should be shelved and the office should start over, based on the numerous proposals it is now getting.

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