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From: BILL LYDDANE [mailto:BLYDDANE@gbpatent.com]

Sent: Wednesday, May 03, 2006 6:33 PM

To: AB93Comments

Cc: BILL LYDDANE

Subject: Comments on Proposed Rules

Greetings:

Attached are our comments on the proposed rule changes set forth in 71 Fed. Reg 48.

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Sincerely,
William E. Lyddane
Greenblum & Bernstein, P.L.C.

The Honorable Jon Dudas
Under Secretary of Commerce for Intellectual Property
And Director of the U. S. Patent and Trademark Office
Mail Stop Comments
P.O. Box 1450
Alexandria, Virginia 22313-1450

May 1, 2006

Attention: Robert W. Bahr
Senior Patent Attorney
Office of the Deputy Commissioner
For Patent Examination Policy

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)

Dear Under Secretary Dudas:

Greenblum & Bernstein, P.L.C., the undersigned, is a law firm located in Reston, Virginia, that specializes in all aspects of intellectual property law. The firm currently employs over 35 registered attorneys and agents that engage in prosecuting and litigating in various areas of intellectual property. The firm also files well over 1000 new applications for patents each year. Thus, the firm has an avid interest in the proposed rule changes set forth in 71 Fed. Reg. 48 (January 3, 2006).

Initially, the undersigned acknowledge that the backlog of pending applications at the PTO is reaching overwhelming proportions and recognize that steps must be taken to reduce that backlog. However, it is our view that the rule changes proposed by the U.S. PTO in 71 Fed. Reg. 48 (January 3, 2006) would not appear to have any significant effect on reducing the backlog, and instead, raises significant issues that will likely adversely impact on patent Applicants and increase, rather than reduce, the amount of work to be performed by the U. S. Patent and Trademark Office. The undersigned has undertaken a careful review of the proposed rule changes as set forth in 71 Fed. Reg. 48 (January 3, 2006), and

initially prepared a complete set of comments in response thereto. However, upon review of the comprehensive and eloquent comments submitted by the AIPLA on April 24, 2006, it was determined that in order to avoid redundancy and to reduce the workload of the staff at the U. S. Patent and Trademark Office that will review the comments, rather than submit our complete set of comments, it will be sufficient that we state that we generally agree with the comments submitted by the AIPLA, and support their position that the proposed rule changes should not be adopted for all the reasons stated therein.

In addition to the comments of the AIPLA, we add the following additional comments for emphasis.

Regarding Continuations and RCE's

Under current Information Disclosure Statement (IDS) submission requirements, Requests for Continued Examination (RCE) are often necessary for submitting prior art materials (such as materials discovered after allowance, final rejection, issue fee payment). Indeed, often prior art is received after allowance or payment of the issue fee as a result of foreign search reports, and the only way to cite the prior art to comply with the duty of disclosure requirement is to file an RCE. Moreover, many law firms review files prior to payment of the issue fee, which sometimes leads to discovery of available but inadvertently uncited prior art, which would also require filing of an RCE to cite the prior art. The proposed limitation on the number of permissible RCE's would render Applicants unable to satisfy their duty of disclosure in many instances where the prior art comes in late, and there would be no opportunity to submit it under the proposed rules. Unless current IDS timeliness rules are changed, or unless the discovery of newly located or inadvertently uncited materials are an "automatic" justification for filing of a second or later continuation/RCE, this limitation would render an Applicant's ability to satisfy the duty of disclosure requirement almost impossible. Furthermore, even assuming the discovery of newly located prior art materials

would be a proper basis for grant of a petition under proposed §114, such petitions would add a further layer of expense to the application process, and pendency of the application would be further delayed due to the increase in the number of such petitions that would have to be decided. Moreover, under the proposed new rules, the above situation may now only be correctable by the filing a reissue application (where the failure to cite the material previously is a mistake correctable under the reissue rules), which will result in more work for the U.S. PTO than if an RCE could have been filed to correct the error. It is readily apparent that examiners spend far more time on the examination of a reissue application as opposed to the amount of time spent on the examination of an RCE, and a special program examiner usually reviews each office action in a reissue application, and certainly every allowance. Therefore, it is apparent that the proposed rule change to limit continuations/RCEs will not only inhibit an Applicant's ability to satisfy the duty of disclosure requirement, but will necessitate the filing of more reissue applications, resulting in greater pendency and a larger backlog.

Furthermore, while Applicants may currently file an RCE to continue prosecution (for submitting additional amendments and/or arguments), it appears that this option would be severely limited under the proposed rules. The reduced ability to reach an agreement on claim language will result in an increased number of "close" cases which are appealed (i.e., cases which are close to being allowable). Thus, the limited ability to file an RCE as set forth in the proposed rules will have a greater impact on the Appeal rate. Accordingly, Applicants who are foreclosed from continuing prosecution to pursue additional amendment/argument will be much more likely to appeal cases, even those in which their position with regard to the claims is somewhat marginal. The result will not be a reduction in pendency or the backlog, but will merely shift the backlog to another area of the PTO, i.e., to the Board of Patent Appeals and

Interferences. Thus, the proposed rule changes to limit continuations/RCEs is a bad idea for these additional reasons.

At least some continuations and RCEs, as well as increased numbers of claims in some application, have been stimulated by 35 U.S.C. § 135(b)(2) enacted in 1999. The American Inventors Protection Act of 1999 (AIPA) re-wrote former 35 U.S.C. § 135(b) as subsection (b)(1), and added an entirely new subsection (b)(2), so that 35 USC § 135(b) now reads:

(b)(1) A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an issued patent may not be made in any application unless such a claim is made prior to one year from the date on which the patent was granted.

(2) A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an application published under section 122(b) of this title may be made in an application filed after the application is published only if the claim is made before 1 year after the date on which the application is published.

The USPTO perceived this change as a problem almost from the time of its enactment. However, although the PTO has recognized the need to return to the previous statutory requirement that an Applicant should be allowed to wait until the claims are found to be patentable and are included in a granted patent, to date, the PTO has not been able to persuade Congress to enact the necessary changes in the statute. One result of the enactment of §135(b)(2) is that many Applicants file continuation/RCE applications in order to copy claims, which has exacerbated the PTO's perceived problem of a high number of continuation/RCE applications.

Although major statutory reform may be doubtful during the current Congress, a quick restoration of 35 U.S.C. § 135(b) to its former state has the potential to prevent wasted effort on the part of all concerned. On the other hand, if Congress believes § 135(b)(2) is a good idea, then the USPTO should recognize that continuations and RCEs prompted by the need to copy claims from published applications should be exempt from the proposed limit of one continuation or RCE

per application. The USPTO has not yet said what might satisfy the “showing” required for granting more than a single continuation/RCE. The situation created by 35 U.S.C. § 135(b)(2) is an example of a circumstance under which the number of continuing applications should not be limited, so long as the U.S. retains its current “first to invent” system.

Regarding Applications Having At Least One Common Inventor

The proposed requirement that if a nonprovisional application has a filing date within two months of another pending nonprovisional application, both of which have at least one inventor in common and are owned by the same party, to identify those applications to the U. S. Patent and Trademark Office within four months from filing will in some instances be difficult, if not impossible, to satisfy. For example, if two applications are filed in another country (for example, Japan) on the same day, and subsequently one corresponding application is filed in the U.S. as a regular application by the end of the one year priority and the other corresponding application is filed as a PCT in another country designating the U.S. that enters the national stage at 30 months from the filing of the second case in Japan, it would be impossible to satisfy the requirement of informing the PTO within the four month period as to whether or not the applications are overlapping.

Regarding Delayed Claims for Benefit of Earlier Filed Application

The proposed amendment to 37 C.F.R. § 1.78(e) stating that a petition to accept an unintentionally delayed claim under 35 U.S.C. § 120, 121, or 365(c), filed in an application in which an RCE has been filed, will not be granted is grossly unjust. The necessity for filing of an unintentionally delayed claim may be discovered at any time during prosecution, even after an RCE has been filed, and to absolutely preclude an Applicant of their right to priority by the provisions of this proposed rule change is without justification.

ALTERNATIVE SUGGESTIONS

As requested by the U. S. Patent and Trademark Office, the following alternative suggestions are provided as possible solutions to the long-standing, and escalating, problems of pendency of applications and the backlog in the number of applications awaiting first action on the merits.

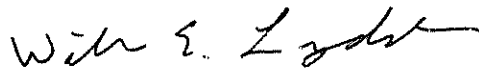
- 1) In view of the fact that much of an Examiner's time spent in preparation of a first office action on the merits involves searching for prior art, it would appear that the PTO could rely on an outside search source(s) for providing this service. The PTO could accept searches from the JPO or the EPO, or alternatively, as was once proposed by the PTO, the PTO could certify designated search authorities that would perform such searches and report the same to the PTO. The Examiners would then utilize the results of the searches performed by the other search authority(s) in preparation of the first office action. This would reduce much of the Examiner time required to prepare the first office actions, and thus provide real results in an effort to reduce pendency and the backlog.
- 2) Although reduction in the number of continuations/RCEs is not believed to have a significant impact on pendency or overall backlog, since the amount of time spent by an Examiner in examining such applications is far less than that required for examination of a new application, nevertheless, some reasonable steps could be taken to reduce the number of such applications, short of the rigid number proposed by the PTO. For example, an escalating filing fee could be charged, based on whether the continuation/RCE is a first, second, third, etc., in a manner similar to the escalating fees for extensions of time. Alternatively, or additionally, a cap could be placed on the period of time during which such applications could be filed. For example, six years from the date of issue of the first office action on the merits in the original parent application (this would

account for the great variations in pendency before first action now present in the PTO). Either or both of these measures would realistically reduce the number of continuations/RCEs without causing such an adverse impact to Applicants as the rule changes presently proposed by the PTO.

3) Another alternative would be a deferred examination system in which a lower filing fee is charged, and then if the Applicant desires an examination of his application, a substantially higher examination fee would be charged. This would likely eliminate a significant number of applications from the examination process, as many Applicants would determine that it would not be necessary to pursue examination and would permit the application to become abandoned.

The undersigned appreciates the opportunity to submit the above comments and suggestions, and would be pleased to work with officials at the U. S. Patent and Trademark Office to help achieve the goals of reducing the backlog and reducing pendency of applications undergoing the examination process.

Sincerely,



William E. Lyddane, for

the law firm of Greenblum & Bernstein, P.L.C.