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Subject: IBM Comments re: Changes to Practice for Continuing Applications, Requests for Continued Examination and Applications Containing Patentably Indistinct Claims

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IBM Corporation Comments in response to Notice of Proposed Rule Making
“Changes to Practice for Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims”
71 Fed. Reg. 48 (January 3, 2006)

Patent quality is a vitally important issue to IBM. We believe that poorly examined patents do not serve the important public interests of the patent system and that patents issuing from such examination inhibit innovation. IBM thanks the USPTO for its commitment to patent quality and continues to encourage the USPTO to fully consider more quality initiatives in the future. IBM strongly supports the proposed rules. We offer the following comments as recommendations to further improve the proposed rules. IBM agrees with the USPTO's position that patent quality is a shared responsibility of both the applicant and the USPTO and accordingly we look forward to continuing our work with the USPTO to achieve our mutual goals.

CONTINUING APPLICATION PRACTICE

IBM strongly supports the concept of limits on continuation applications. The current rules enable applicants to keep patent applications alive practically forever. Not only does this result in significant burden on USPTO resources, but it also affects the US economy because the public does not have sufficient insight into the scope of patent claims that are likely to issue. This insight is vital to businesses making investment decisions. Although IBM believes that the current rules are adequate for the first continuation application, new rules requiring higher standards should apply to all subsequent continuation applications. The USPTO should consider whether these higher standards should be the same for all continuation applications after the first, or whether a lesser standard should apply to the second continuation application than for those filed after the second continuation application.)

According to current US patent practice, Applicants have the right to file continuation applications for the same invention claimed in an earlier nonprovisional US patent

application. USPTO statistics indicate that the continuation application filing rate is rapidly increasing, and in some Technology Centers, continuation application filings represent more than one-third of the examiner workload. Although applicants file continuation applications for various reasons, as has been widely discussed, the practice of continuously “reworking” patent applications burdens the Office by causing backlogs and delays. Furthermore, the public should not have to be kept guessing indefinitely what claims will issue from a patent application. Consequently, the USPTO is proposing controls on the number of continuing application filings. The efforts by the Office to effect change to continuation application practice are a positive step.

The USPTO proposal to eliminate continuing prosecution opportunities as a matter of right may discourage the practice of filing multiple submarine type patent applications. Recent case law, *Symbol Technologies, Inc. v. Lemelson Medical, Education & Research Foundation*, 422 F.3d 1378 (Fed. Cir. 2005) suggests that although there are no strict time limitations for determining whether filing multiple continuation applications is a legitimate utilization of statutory provisions or an abuse of those provisions, filing continuation applications solely containing previously allowed claims for the business purpose of delaying issuance of the patent application may be considered an abuse of the patent system. The practical effect is that regardless of whether a pending patent application is published or not, manufacturers do not have the degree of certainty required to make significant business investment decisions. Although we do not recommend per se limits on the number of continuation application filings, we submit that there should be some practical method of controlling how many continuation applications can be filed.

According to the proposed Rule 1.78(d)(1)(iv), an applicant who files a second continuing application must file a petition which makes “a showing to the satisfaction of the Director that the amendment, argument, or evidence [submitted with the second continuing application] could not have been submitted during the prosecution of the prior-filed application.” We support this change in principle, provided the following issues can be resolved: 1.) how this standard is to be applied; 2.) which USPTO office will make these determinations; and 3.) what training will be provided to those who will have to make these determinations. Although the Office has provided specific examples as to when a second continuation will be permitted, clarification is required to avoid both unwarranted circumvention of the Rule and its over-application, to ensure uniform examination of patent applications, and to provide adequate guidance for applicants so they can make a reasonable judgment as to how the proposed rules are to be applied.

For example, the USPTO proposes that an acceptable showing for filing a second continuing application is when data showing unexpected results recently becomes available to overcome a final rejection under 35 U.S.C. Section 103, and the data is the result of lengthy experimentation that was started after the applicant received the rejection for the first time. However, this proposed reasoning is problematic because the applicant can wait until the last minute, i.e. final rejection, before initiating the

experiment and thereby assure that the data will not be available until after final rejection. Thus, we propose the following revised rationale:

"Data necessary to show unexpected results became available after a final rejection under 35 U.S.C. Section 103, the experimentation leading to the data began within six months after filing of the original patent application, and the experimentation was conducted diligently."

The Office has also proposed that another acceptable reason for filing a second continuation is if the final rejection contains a new ground of rejection that could not have been anticipated by the applicant, and the applicant wants to submit evidence that could not have been submitted earlier to overcome the examiner's rejection. However, this proposed reason is vague and may open the door for unwarranted continuations and endless disputes with the USPTO as to what constitutes "could not have been anticipated." Generally, citation of new prior art should not be grounds for a second continuation for the following reasons:

- (a) The applicant should have conducted a thorough search before filing the original application or when amending the claims to recite a new feature. This would have avoided "surprise" prior art later, from any source. The applicant should not place the heavy burden of searching on the examiner alone.
- (b) The applicant could have included all significant novel features of the invention as dependent claims in the original filing or pursuant to amendments, in case new prior art is subsequently discovered, and these dependent claims could have been appealed without a second continuation.
- (c) Applicants often shift their claims during prosecution, and causing the examiner to conduct a second search and apply new prior art which becomes the basis for the final rejection. This practice of shifting claims and the resulting new search should not be grounds for filing a second continuation because the applicant necessitated the second search. It is burden enough on the examiner to conduct the second search, without subjecting the examiner to another continuation.

Therefore, we propose the following revision to the proposed reason for filing a second continuation to cover the situation where the prior art could not reasonably have been discoverable by the applicant:

"The examiner cites a new reference as the basis for a final rejection of the claims under 35 U.S.C. Sections 102 or 103 in the first continuation, and the new reference was not publicly available at the time Applicant filed its previous amendment."

While these examples are acceptable reasons for filing a second continuing application appear reasonable and appropriate, IBM reiterates its suggestion that the USPTO consider requiring higher standards of showing that the amendment, argument, or evidence submitted with the continuing application could not have been submitted

during the prosecution of the prior-filed application for any subsequent continuing applications.

In conclusion, IBM strongly supports the concept of limits on continuation applications. The drain on USPTO resources and the lack of certainty that jeopardizes the public notice function of patents caused by uncontrolled continuation applications are two very good reasons why these changes are absolutely necessary at this time.

DOUBLE PATENTING

The USPTO also wants to discourage filing of multiple applications with patentably indistinct claims because of the increased workload on examiners, and the burden to the public of analyzing more than one patent for the same invention. The existing rules allow the examiner to require the applicant to cancel indistinct claims in different applications. IBM is not convinced that additional rulemaking is warranted to accomplish this goal.

The USPTO justifies restricting the filing of multiple applications with patentably indistinct claims in order to reduce the number of applications that it examines. See Notice, at 49. However, if the claims are patentably indistinct, they should be easy to examine because each set of claims should be treated identically. If the applicant satisfactorily established that the claims are patentably distinct, then under the proposed rules, the USPTO will still have to examine the claims if the specifications substantially overlap.

The proposed restrictions, however, may be helpful in blocking applicants from circumventing the other rule changes (i.e., the proposals restricting the number of claims per application and the number of continuations) by filing multiple applications at once. Additionally, the USPTO should also consider other forms of deterrence of circumvention, such as appropriate sizing of fees associated with filing additional applications.

The USPTO also suggests that the patent system does not benefit from the filing of "multiple applications to the same invention." See Notice, at 49. We agree, and the easy solution to that concern is claims that are directed to the "same invention" should be rejected for statutory double patenting.

Proposed Rule 1.78(f) is of concern because of the vagueness of the proposed standard for obtaining approval to have patentably indistinct claims in two applications. According to proposed Rule 1.78(f)(2)(ii), to overcome the presumption of double patenting, an applicant must "explain to the satisfaction of the Director why there are two or more pending nonprovisional applications." As the proposed rule stands, the requirement to merely explain "why" such claims were presented does not suggest a meaningful standard for applicants to try to meet.

Under proposed Rule 1.78(f)(3), the USPTO will require cancellation of the claims from all but one application unless there is a showing of "good and sufficient reason" for having the claims in two applications. However, the "good and sufficient" standard does not give applicants any real indication of the showing that is needed. The USPTO should provide clear guidance by providing examples of when it is acceptable to have the claims in two applications.

Similarly, there is no guidance as to how an examiner is to determine when applications contain "substantial overlapping disclosures" so as to trigger the presumption of proposed Rule 1.78(f)(2). Again, the USPTO should provide clear indication of how to meet this test, which does not appear to be similar to any other patent law test. We note that there does not appear to be any limitation on an applicant's ability to file patentably indistinct claims in multiple applications as long as the specifications do not contain substantially overlapping disclosure or are not filed on the same day. We certainly understand the need to ensure that an applicant cannot achieve with similar but separate applications what he/she is prevented from doing in a single application. Further clarity is necessary so that the examiner will not be forced to make arbitrary decisions.

Finally, it is unclear how an applicant is to rebut the presumption of double patenting under Rule 1.78(f)(2)(i). In overcoming a double patenting rejection, the applicant may be put in a position of trying to prove a negative. (e.g. proving that a person of ordinary skill in the art would not have been motivated to modify the claims; or proving that the claims of one application would not have been obvious over the claims of the other application). Any rule change should include examples of how the presumption can be overcome and also provide for an appeal process if the USPTO determines that the claims are patentably indistinct and requires cancellation of the claims.

In conclusion, IBM believes that patent quality is a shared responsibility between both the applicant and the USPTO and we look forward to working with the USPTO to further its goals.

Respectfully Submitted,

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