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Sent: Wednesday, May 03, 2006 6:10 PM
To: AB93Comments; AB94Comments
Subject: Comments regarding proposed changes to practice

The proposed rule changes are unlikely to reduce patent application pendency

The PTO is generally proposing two main thrusts to address reducing pendency; (1) abridging and constraining opportunities to file continuation applications including RCE's; and (2) and abbreviating the claims examination process.

The proposed restrictions with respect to continuation practice will not reduce pendency and will likely instead increase pendency for many applications

Simply removing the opportunity to file a continuation or RCE will not, of course, do anything to ensure that the examination process will necessarily proceed in a satisfactory manner nor is the PTO suggesting otherwise. That is to say, curtailing continuation practice will not improve the odds that a given examiner will now somehow reach a finding of allowability more quickly. In recognition of this, the PTO's comments explain that the frustrated patentee should resort to the appeals process rather than to the continuation process. The appeals process as a widespread substitute for continuation practice is not, however, likely to result in reduced pendency.

Consider first that an RCE essentially begins anew the examination process for a given pending application. This, in turn, tends to ensure at least two more rounds of examination and discussion. Such additional rounds of consideration add, it is argued, to the overall pendency for the patent application in question and we are told that this is a bad thing.

The appeals process, however, *offers much the same result*. By the PTO's own recent statistics it appears that at least 60% of all filed and briefed appeals never make it to the Board of Appeals. Instead, the examiner retracts their final rejection and either allows the application or, more typically, presents a new, non-final rejection. In other words, the appeals process, more often than not, "essentially begins anew the examination process for a given pending application," much akin to what happens when a continuation or RCE is filed. In this case, however, the process now also includes the appeal initiation and briefing steps. As a net result, then, in a substantial number of cases the appeals process will *increase* pendency as compared to RCE practice.

As for appeals that do make their way past the examiner's answer to the Board, we should reasonably expect the proposed rule changes to result in a dramatic increase in corresponding appeals. There has been no indication, however, that the PTO has a plan or the ability to accommodate such an increase. Indeed, the PTO is presently arguing that it is unable to "hire its way out" of its present need for a sufficient number of examiners. Assuming this to be true, I would respectfully submit that it is likely to be considerably easier to hire new beginner examiners than it will be to find a sufficient number of *experienced* examiners to populate the Board of Appeals to meet tomorrow's dramatically increased needs should these proposed rules become effective. As a result, the time between when an appeal is lodged and ultimately decided will increase and this, in turn, will again result in an *increase* of pendency. Moreover, the time spent by the most *experienced* examiners on the appeal process will reduce the time available for the prosecution of initial applications and, thus, will also result in a *further increase* of pendency.

The proposed restrictions with respect to claims examination practice will not likely reduce pendency

The other primary approach being espoused by the PTO is to abridge the number of claims that are examined to no more than ten at a time unless the applicant prepares and files an optional examination document.

First, and with all due respect, the "option" proposed in order to receive concurrent examination of more than ten claims represents a practical dead end; patentees already have a similar though less onerous opportunity (a Petition to Make Special) by which expedited examination may be gained. PTO statistics reveal that less than one fourth of one

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per cent of all filings take advantage of this opportunity. The primary problem with such an approach is not the increased attendant workload for the patentee. The primary problem is that the requirements for such a document regarding prior art characterization and invention differentiation are highly risky given American litigation practices. The risks associated with the filing of such a document prompts many practitioners to counsel their clients to steer clear of such an "opportunity" absent otherwise compelling reasons. The newly proposed examination document is even *more* objectionable from this standpoint and hence even *less* likely to be used on any regular basis.

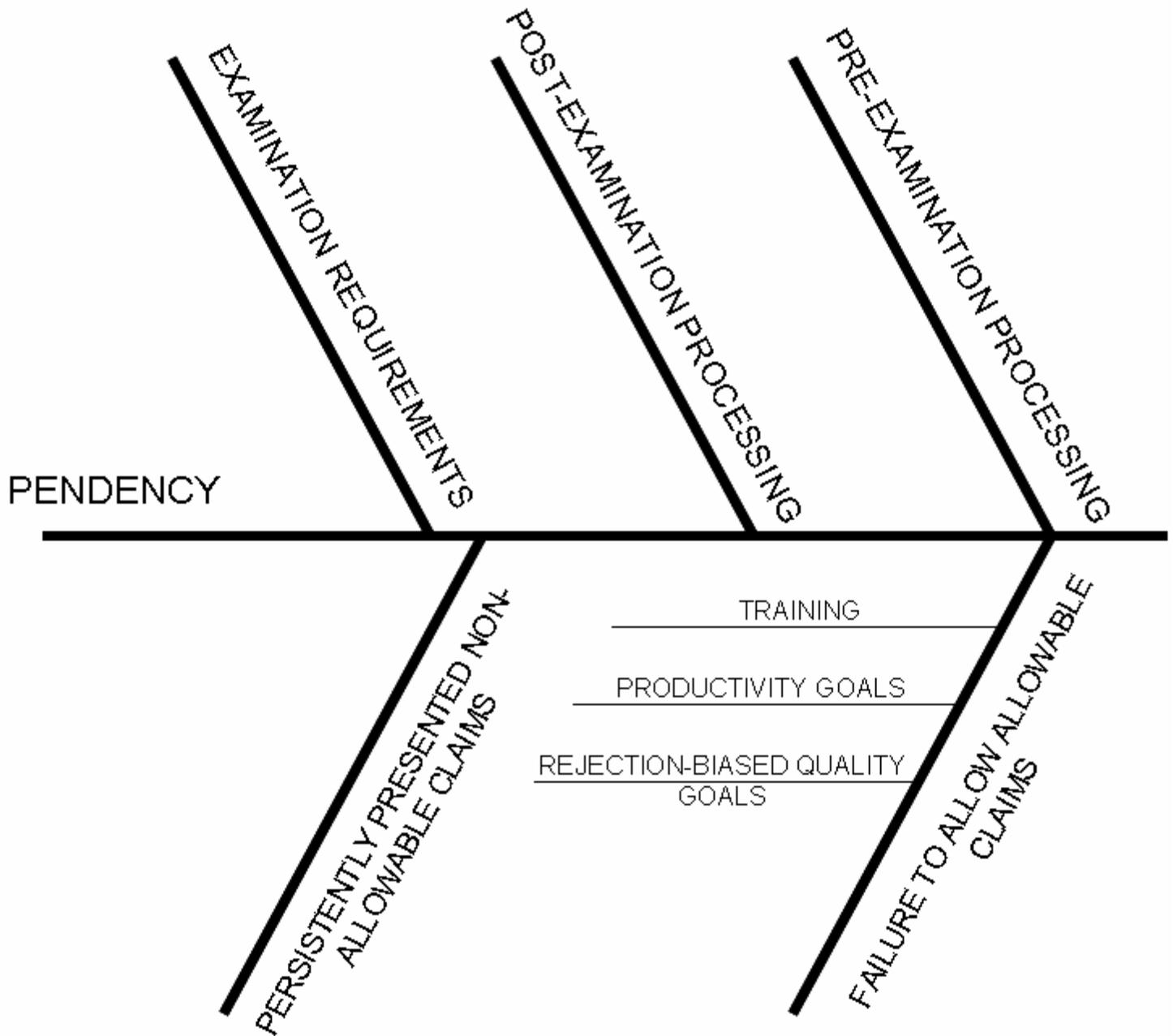
This then leaves the vast majority of applications with concurrent examination of no more than ten claims regardless of how many claims are otherwise present. The PTO argues that the "real" limit is 40 because up to four sets of ten claims each can be independently presented in seriatim fashion through allowed amendments and one gratis continuation. Such a strung out process, however, runs directly *contrary* to the notion of taming pendency. Serially examining a significant number of claims in segregated independent groups over an extended period of time will not *reduce* the total amount of time that is required to initially examine that same body of claims up front as per present practice

I therefore respectfully observe that these proposed rule changes, viewed separately and certainly when viewed in tandem will likely lead to an *increase* in overall pendency.

A better way to reduce pendency

I submit that pendency can be managed by attacking a more fundamental cause - the failure of examiners to allow applications that are in suitable condition to be allowed.

Consider the following Ishikawa diagram (a common analysis tool used to identify root causes of conditions of concern):



Present continuation practice comprises a symptom, at most, of circumstances that drive present pendency metrics; it is not, in and of itself, a root cause. As a problematic symptom it can arise in response to either of two root causes - when a patentee persists in presenting non-allowable claims *or* when an examiner fails to allow allowable claims. The PTO is presuming that by managing this symptom with draconian requirements, the patient will become well. Quite clearly, however, such is not the case if *a* significant root cause for this symptom is the failure of some examiners to allow allowable claims. With this in mind, let me now address certain causes that lie behind the non-allowance of allowable claims.

The PTO employs metric-based goals to drive examiner behavior. These goals include desired levels of productivity and desired levels of quality. These are laudable goals, of course. Metric-based managerial approaches often drive undesired and unwanted behaviors, however. Such, I submit, is exactly what lies as a primary root cause of any existing pendency problems that may exist.

Examiners are rewarded for accomplishing first substantive office actions and for accomplishing dispositive actions as

well. An examiner's individual productivity will of course be maximized when a first office action can also comprise a dispositive office action; i.e., a first office action allowance. This, of course, happens relatively infrequently. A part of the reason for a relative lack of first office action allowances no doubt lies with the fact that the managers of examiners are also aware that productivity can be maximized via such an action. This, in turn, creates a tension between examiners and their supervisors with respect to suspicion regarding the substantive validity of first office action allowances.

Fair enough. But such an approach also tends to discourage legitimate first office action allowances and *that* in turn tends to increase pendency of patent applications.

The present managerial approach of the PTO also works to urge examiners to declare examination to be complete with a second office action. There is, for example, no productivity credit for other than a first office action and a dispositive action; everything in-between (or thereafter) is effectively treated as wasted time and effort. There are cases, however, when the examiner's understanding of the issues has not truly matured to warrant a final rejection.

The dismal statistics regarding the number of appeals that result in a re-opening of prosecution state volumes in this regard and surely helps to point the finger to non-allowance of allowable claims as being an enormous issue worthy of consideration as a primary driver of lengthy pendencies. As a result, the present managerial approach, built upon metrics that encourage productivity as defined in a particular limited manner, encourages rather than discourages a more cursory initial treatment of the examination process. And this, I respectfully submit, will more often than not tend to extend pendency rather than curtail it.

The PTO also has quality goals that lead to similar mischief. For example, at present, there is a goal to achieve an error rate of no more than 4%. This error rate, however, is measured *solely* as a function of allowed applications that are not, in fact, properly allowable. An examining group and its staff are therefore subject to a metric of scrutiny *only* when they allow an application that should not be allowed.

There is, however, *no* corollary concern or metric for *failing* to allow an application that *should* be allowed. This provides a powerful incentive to err on the side of maintaining a rejection rather than to risk being found in error by having inappropriately allowed an application.

This is not to say that all examiners, in all instances, behave in this manner. My own personal experiences convince me otherwise. But it would be naïve to think that such a set of incentives are going to be neutral in this regard.

Changes directed to a reduction in pendency should address primary root causes and not merely the procedural symptoms and effects of those root causes. Before taking extreme actions to fix procedures that have not truly been shown to be broken, the PTO, its customers, and the public would be far better served by a consideration of changes that address the core business and Congressional mandate of the Patent Office - the examination and allowance of allowable patent applications. This should clearly include a fresh look at the PTO's own managerial tools and techniques as informed by an eyes-wide-open review of the unintended behaviors and results being wrought by existing practices on current pendency durations.

Sometimes change is necessary. But change that fails to address the underlying causes of a problem to be solved can work more harm than good. It may be that changes along the lines of what the PTO is presently proposing will, in fact, be necessary in some degree or another at some point in time. I respectfully submit, however, that it makes far more sense to back up and address the genuine root causes of that which the PTO presently views as a problem before rushing forward with "cures" that may ultimately hurt the patient far more than help.

Respectfully submitted,
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