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Topic: Patent Office's Proposed Changes to Practice for the Examination of Claims in Patent Applications and Proposed Changes to Practice for Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims

Introduction

I acknowledge the U.S. Patent Office's current backlog of work and that changes need to be made in order to reduce such backlog. However, such changes must be made within the confines of the legal authority granted to the USPTO. In view of the below analysis, I urge the USPTO reconsider its proposed rules changes.

Applicable Legal Framework Pertaining to the Proposed Rule Changes

The U.S. Patent Office "may establish regulations, not inconsistent with law, which . . . shall facilitate and expedite the processing of patent applications . . ." 35 U.S.C. § 2(b)(2)(C). To the extent such regulations are consistent with the law, they must be supported by a rational basis. See Rochester Tel. Corp. v. United States, 307 U.S. 125, 146 (U.S. 1939).

35 U.S.C. § 131 states that "[t]he Director shall cause an examination to be made of [an] application . . . and if on such examination it appears that the applicant is entitled to a patent under the law, the Director shall issue a patent therefore." "Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Director shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application; and if after receiving such notice, the applicant persists in his claim for a patent, with or without amendment, the application shall be reexamined." 35 U.S.C. § 132(a). In regard to an applicant persisting in his claim for a patent, "[t]he Director shall prescribe regulations to provide for the continued examination of applications for patent at the request of the applicant." 35 U.S.C. § 132(b).

35 U.S.C. § 120 allows the filing of continuation applications: "[a]n application for patent for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States, or as provided by section 363 of this title, which is filed by an inventor or inventors named in the previously filed application shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application."

As recited above, Title 35 of the United States Code clearly states that continued examination and continuing applications are proper. § 132(a) ("if after receiving such

notice, the applicant persists in his claim for a patent . . . the application shall be reexamined.”); § 132(b) (“[t]he Director shall prescribe regulations to provide for the continued examination of applications for patent at the request of the applicant.”); and § 120 (“[a]n application . . . shall have the same effect . . . as though filed on the date of the prior application . . .”). 35 U.S.C. does not limit an Applicant’s ability to seek further examination or continuations so long as an ancestor application is pending. § 120 (“if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application . . .”). However, the problem of allowing applicants to perpetually file continuations was addressed by Congress at least in 35 U.S.C. § 154(a)(2), which, subject to patent term adjustments, limits the term of a patent to 20 years from its earliest claimed priority date.

Because the proposed rule changes to continuation practice provide additional restrictions to an applicant’s ability to file continuations beyond that provided by the Patent Statutes cited above by requiring that an applicant present all possible evidence prior to a second RCE or continuation application, the Patent Office relies upon 35 U.S.C. § 2 and In re Bogese, 303 F.3d 1362, 64 USPQ2d 1448 (Fed. Cir. 2002) as its authority to do so. § 2 states, in part, that the U.S. Patent Office “may establish regulations, not inconsistent with law, which . . . shall facilitate and expedite the processing of patent applications” The Court in In re Bogese stated that “the PTO may impose reasonable deadlines and requirements on parties that appear before it. The PTO has inherent authority to govern procedure before the PTO, and that authority allows it to set reasonable deadlines and requirements for the prosecution of applications.” 303 F.3d at 1367.

It should be noted that the authority granted by § 2 and elaborated upon by In re Bogese appear to pertain to the USPTO’s authority to govern *procedure*. Whether these authorities grant the USPTO the ability to substantively regulate and restrict the statutory rights of applicants to file continuations is not clear. However, even assuming for argument’s sake that these authorities do grant these abilities, the USPTO’s proposed rules must be consistent with law, must facilitate and expedite the processing of patent applications, and, according to In re Bogese, must be reasonable. Further, such proposed rule changes must be supported by a rational basis. See Rochester Tel. Corp., 307 U.S. at 146.

Analysis

The Purpose and Value of Continuations - Consistency with the Law:

The U.S. patent prosecution process is akin to typical U.S. legal proceedings involving a plaintiff (the Patent Office) and a defendant (the applicant). Typically, the Patent Office, as ‘plaintiff,’ makes a prima facie case of unpatentability and provides the applicant with an Office Action setting forth the reasons of unpatentability according to 35 U.S.C. § 132(a). The applicant, as ‘defendant,’ if he or she believes the application is worthy of a patent in spite of the Office Action, may choose to respond to the points set forth in the Office Action and continue prosecution. Similar to any defendant in the U.S. legal system, the applicant currently is not and should not be obligated to predict all possible

rejections that the Patent Office might make beyond those identified in the Office Action. If this were the case, Patent Examiners would have a disincentive to provide thorough examinations in the expectation that the applicant has the burden to come up with all possible rejections over cited prior art. Further, if the applicant were obligated to come up with all possible rejections that an Examiner might envision based upon cited prior art, the applicant would essentially be obligated to make the plaintiff's case, which I believe is contrary to the U.S. legal system and, consequently, is not reasonable or supported by a rational basis.

Since it is my opinion that the applicant should only be obligated to respond to the points raised by the examiner, the most efficient form of examination process would be for Patent Examiners to provide complete Office Actions, thereby obligating the applicant to provide a detailed response addressing all issues. A complete Office Action should not only include a search based upon the claims as stated, but also a search based upon material that might reasonably be incorporated into the claims, to short-circuit additional iterations between the applicant and the examiner.

To elaborate, what typically happens when an incomplete Office Action or an Office Action with weakly reasoned rejections is issued, is that it forces applicants, in light of Festo, to provide a brief response with few or no claim amendments. Upon second examination of the application, the Patent Office may introduce a new rejection, which may be a new nuance of the previous rejection or may be a new rejection based on newly found art. In response, the applicant, in responding to the particular rejections issued, amends the claims as little as possible, forcing another iteration between the examiner and the applicant. Accordingly, it is my opinion that, to the extent that an applicant is responding to new rejections from an examiner, whether such new rejections are based upon previously cited art or newly found art, the applicant should be able to continue prosecuting the application without restriction.

Further, continued examination, within reasonable time frames, allows an applicant to file continuations with claims directed to later appreciated aspects of his or her invention. By nature, an invention is something new, and it cannot always be fully appreciated at the time of initial filing of a patent application. The law and courts recognize this aspect of inventions. For instance, broadening reissue patents are allowed if notice of such broadening is provided within 2 years after issuance. 35 U.S.C. § 251. Narrowing reissues are allowed indefinitely so long as the patent is not abandoned. *Id.* The United States Supreme Court in Festo acknowledges that applicants cannot draft claims to cover unforeseeable equivalents. Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 535 U.S. 722 (U.S. 2002). Courts have long acknowledged that applicants often have to be their own lexicographers because the invention may necessitate new language. *See, e.g., Autogiro Co. of Am. v. United States*, 181 Ct. Cl. 55, 62 (Ct. Cl. 1967) (“Things are not made for the sake of words, but words for things. To overcome this lag, patent law allows the inventor to be his own lexicographer.”) (citations omitted). 35 USC § 102(b) allows an applicant a one-year market test period to determine the value of an invention. Additionally, the main purpose of continued examination is an acknowledgement of the evolutionary process of understanding and defining an invention. All of these laws

acknowledge, allow, and protect an applicant's right to allow an invention to blossom. I believe that the allowance of an invention to evolve, blossom, and develop over time should not be short-circuited in any way, as often our most valuable patents were not identifiable as valuable until many years after initial filing. To short-circuit this evolutionary process would be to harm the best inventions the most.

In summary to this point, I am supportive of the PTO's right to set reasonable deadlines on prosecution, but do not support the prohibition on further continuations to the extent that they prevent an applicant from responding to a new rejection or prevent an applicant from reasonably allowing inventions to evolve sufficiently to allow valuable patents to be identified. I believe that if the PTO's rule changes encroach upon these rights, such rule changes are unreasonable deadlines on prosecution and are inconsistent with an applicant's statutory right to file continuations.

Reasonableness and Rational Basis: Analysis of the Patent Office's Justification of the Proposed Continuation Rules Changes

Relief Of "Crippling" Burden

The Patent Office alleges that continued examination has presented it with a "crippling" burden. In support of this justification, the Patent Office states that 317,000 nonprovisional applications were filed in FY 2005, of which 63,000 were continuation applications. Additionally, 52,000 RCEs were filed in FY 2005. [CITE] The Patent Office States that, accordingly, $(63,000 + 52,000)/(317,000 + 52,000) = \text{about } 30\%$ of the Patent Office Resources were expended on continued examination. However, this calculation assumes that there is a 1-1 correspondence between resources spent on a new application and resources spent on continued examination. The Patent Office has not established that such a 1-1 correspondence exists and, to the contrary, one would expect that significantly less resources would be spent on continued examination and, especially, RCEs. Accordingly, it is my opinion that the Patent Office has not established that continued examination practice is a "crippling" burden to the Patent Office.

Further, the Patent Office admits that its proposed rule changes will affect only about 12,000 continuations and 10,000 RCEs. Such rule changes, however, will lead to an increase in appeals and petitions for the acceptance of additional continued examination beyond one. The Patent Office has not established that the reduction in work caused by 12,000 fewer continuations and 10,000 fewer RCEs, when the corresponding increase in work caused by the rule changes is accounted for, will provide any meaningful relief to the Patent Office's alleged "crippling" burden.

In addition, the 12,000 continuations and 10,000 RCEs allegedly affected by the proposed rules changes may be the most valuable applications, as described in the previous section. The Patent Office has not addressed this point, and I hereby request the Patent Office's point of view in this regard.

Improvement in Efficiency

The Patent Office alleges that the continuation rules changes will result in patents that will issue sooner without providing any supporting analysis regarding why such a result is expected. As discussed in the previous section, the Patent Office has not established that the proposed continuation rules changes will lead to any meaningful reduction in work for the patent office. Accordingly, it cannot be said that these rules changes will, in any meaningful way, reduce pendency. It appears that for the majority of applications, the proposed rule changes will either issue in the same amount of time, or will become abandoned earlier than they would under the current rules. To the extent that the Patent Office believes that the proposed rules will cause applicants to 'do a better job' in preparing applications and, consequently, that applications will be prosecuted quicker, such belief will be addressed below. For at least these reasons, it is our opinion that the Patent Office has not established that the proposed continuation rules changes will cause applications to issue sooner in any meaningful way.

The Patent Office alleges, without statistical support, that applicants do not thoroughly review applications and do not define an invention until a first or second continuation is filed and, further, that the proposed rules will curb this practice. While this may, of course, be true in some cases, the Patent Office has not established that this occurs in any meaningful number of applications. To the contrary, current U.S. patent laws provide the opposite incentive. For example, no new matter may be added to an application post filing. 35 U.S.C § 132. The Festo line of cases penalizes applicants for making narrowing amendments to claims post filing. Continuations are only able to claim priority to a parent application if its claims are supported by the description of such parent. 35 U.S.C. § 120. The majority of applications publish at 18 months, causing such applications to become prior art to even the inventor or assignee for all relevant other inventions. See 35 U.S.C. § 122. Accordingly, while some applicants may not take care to file a complete application and may look to define the invention several years in the future, they take the substantial risk of not being able to, or at least severely limiting the protection afforded by their claims. For at least these reasons, it is our opinion that the Patent Office has not established that any meaningful number of applicants are not reviewing their applications at filing and, consequently, delaying prosecution.

The Patent Office alleges that each subsequent continuation provides 'diminishing returns.' However, as described above, the patent prosecution process is, by nature, an evolutionary process best accelerated by complete Office Actions rather than obligating applicants to conceive of all possible rejections. Some complex and/or valuable inventions need several iterations between an applicant and an examiner. While the Patent Office acknowledges that complex inventions with many claims are a minority, I do not believe these inventions should be penalized for being complex and/or valuable. Further, the Patent Office has not established that the need for several iterations between an applicant and an examiner is due, in any meaningful way, to conduct or inaction on applicant's

part. Therefore, I do not believe that the Patent Office has established that subsequent continuations, in any meaningful way, provide ‘diminishing returns.’

Improvement in Public Notice

The Patent Office states that the proposed continuation rules will improve public certainty about what is being claimed for an invention. While this may be true, and while public notice is something I support, I believe it is an issue best addressed by the legislature where an appropriate balancing of the conflicting policies of public notice and reasonably allowing complex and/or valuable inventions to evolve may be made. In this regard, the legislature has performed this balancing of interests, reflected in 35 U.S.C. § 154(a)(2), which limits patent terms to 20 years from the earliest claimed priority date. If the Patent Office is promulgating these rules to improve public notice at the expense of applicants’ statutory right to continued examination, I believe such rules are “inconsistent with law” and are not regulations established which “facilitate and expedite the processing of patent applications” according to 35 U.S.C. § 2(b)(2)(C). In particular, I believe such a justification of rule changes exceeds the Patent Office’s authority and is not supported by a rational basis.

Improvement in Patent Quality

The Patent Office alleges that the proposed continuation rules will improve the quality of patents without providing reasoning to support this conclusion. Presumably, the Patent Office is alleging that these proposed rules will force applicants, examiners, or both, to provide a more thorough examination. As discussed above, I believe that an examiner’s role is to provide a complete office action, and an applicant’s role is to completely respond to all points raised by the examiner in an office action. However, the proposed rules place the burden on the applicant to justify why additional continuations are needed. If acceleration of the examination process is best served by an examiner providing complete office actions, I believe, then, that a burden on applicants to justify why additional continued examination is needed is inappropriate. In particular, placing the burden on the applicant actually provides a disincentive for an examiner to provide a complete office action. To elaborate, if an examiner knows that he or she need only prepare a maximum of four office actions in most cases, the examiner has an incentive to provide as few rejections as possible in an office action as quickly as possible, so that he or she can move on to the next application. I believe these rules will cause examiners to produce less-complete office actions, thereby decreasing thoroughness of examination, and, thereby, decreasing patent quality. Accordingly, I believe that the Patent Office has not established a rational basis that the proposed changes to continuation practice will improve patent quality.

In view of the above, it is my opinion that the Patent Office has not established a rational basis for its continuation practice rule changes.

Analysis of the Patent Office's Justification for Disallowing Applications with Similar Disclosures

The Patent Office provides several justifications for its changes to continuation practice, discussed above, and lumps its disallowance of multiple applications with similar disclosures in with its continuation rule changes. I believe that such rule changes are distinct, have different effects, and, consequently, should be analyzed separately. In particular, the Patent Office has not provided any evidence that (1) it has any authority to limit applicants' rights to file voluntary divisional applications or multiple applications with patentably indistinct claims, (2) that multiple applications with indistinct claims presents any meaningful burden to current examining procedures, and (3) that disallowing multiple applications with indistinct claims would increase patent quality or increase public notice. To the contrary, current U.S. patent laws allow the claiming of obvious improvements of a commonly-owned invention (within the confines of 25 U.S.C. § 102) with the filing of a terminal disclaimer, and 35 U.S.C. § 121 expressly allows the filing of divisional applications. The Patent Office has not provided any justification for its alleged right to contravene these laws. In view of the above, it is my opinion that the Patent Office has not established a rational basis for its rule changes disallowing multiple applications with similar disclosures.

Analysis of the Patent Office's Justification for Changing Claims Rules

The Patent Office states that “[t]he changes proposed will allow the Office to do a better, more thorough and reliable examination since the number of claims receiving initial examination will be at a level which can be more effectively and efficiently evaluated by an examination.” I presume that by “more thorough and reliable examination” and “more effectively evaluated” that the Patent Office means that more time will be spent examining each claim. However, the PTO has not established that this is the case and even appears to imply that any work savings caused by the proposed rule changes would be moved to new applications and not spent on ‘more thoroughly and reliably’ examining existing applications. If this is the case, the same amount of time will be spent per claim as under the past rules. Accordingly, I do not believe that the Patent Office has established that the rule changes will result in a more thorough, reliable, or effective examination.

Further, the Patent Office mimics the BPAI model for its proposed claim rule changes. However, the BPAI model applies after issues have already been through the evolution process previously discussed, and, further, the appellant has the option to identify an unlimited amount of claims without performing a process akin to the examination support document, which, effectively, is legal suicide under Festo.

Finally, the Patent Office alleges that large applications use a disproportionate amount of resources. However, if an application has 10 independent claims and 90 dependent claims, the total filing fee would be \$6,400 under current rules. The Patent Office has not established that such an application would consume greater than 6.4 times the resources as that consumed by a regular application with a \$1,000 filing fee. In fact, the opposite would seem to be true. Because the subject matter in a large application is often times

similar and related, the examination time spent per claim for the large application would seem to decrease with each additional claim as compared to a regular application without excess claims fees. Accordingly, it is my opinion that the Patent Office has not established that large applications use a disproportionate amount of Patent Office resources.

In view of the above, it is my opinion that the Patent Office has not established a rational basis for its rule changes pertaining to claims practice.