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From: Rick Rezek [mailto:Richard.Rezek@BTLaw.com]

Sent: Friday, April 28, 2006 9:36 AM

To: AB93Comments

Subject: Re: Comments re Proposed Rules

Sir or Madam,

The following are my comments regarding the rules proposals published in the Federal Register, Vol. 71, No. 1, January 3, 2006 beginning at page 48 and beginning at page 61.

I am opposed to the proposed rules changes. I prepare and file patent applications daily and have done so since my registration with the Patent & Trademark Office in December 1982. I prepare and file over 100 applications per year.

There is a backlog because examiners are afraid to allow cases and subject themselves to scrutiny and second guessing from a USPTO quality audit committee. I have never seen so many three and four reference obviousness rejections that are unsupportable. I appeal bad rejections to the board and when the case is returned to the examiner they continue to reject the claims by reassembling the references in a different order to formulate new grounds of rejection. I have never seen so many third and fourth non-final actions.

These cases now continue for years and I am forced to file RCEs and appeals to get some relief. Last week I had an examiner suggest a claim amendment in an interview which we accepted and then she rejected her own amendment in view of a holding in a 1970s CCPA decision on old prior art. That is one cause of the backlog. Now senior examiners are being "hoteled" and are unable to provide any meaningful mentoring to new examiners. We are forced as registered patent lawyers to try and train examiners during personal office interviews and we are told that they are sometimes afraid to allow cases because they might be second-guessed and then reprimanded.

I long for the old days of super-skilled examiners like Bob Wolfe and Carrol Dorrity. These guys were superb!

In the old days, before computer office actions, the rejections were hand-written by the examiner and took up a few lines. Now I get lengthy 10-15 page rejections combining references to reject dependent claims--these make no sense and waste valuable examiner time.

I normally file 20-30 claims with 3 independent and I pay for that search and examination. If more money is needed to run the Patent Office then charge more but do not cut the 3/20 claim submission rules. I represent large and small clients and I need a variety of claims to block design-arounds and provide adequate protection for my client.

I agree with the points raised below.

Representatives from the two principal intellectual property organizations (AIPLA and IPO) generally faulted the proposed rule changes as ill-suited for achieving the PTO's goals of increasing efficiency, reducing patent pendency, and improving patent quality.

As for the proposed limits on continuation applications, Charles Van Horn of the American Intellectual Property Law Association said that the continuation practice is not per se an abuse. Only a small minority of applicants use continuation applications to game the system, according to Van Horn. In the AIPLA's view, he said, constraining continuation practice will inevitably produce changes in claim drafting to avoid those limitations, will increase appeals of patent rejections, and will increase the use of divisional applications, as well as reissue and reexamination proceedings.

Herbert Wamsley of the Intellectual Property Owners Association shared Van Horn's skepticism about the planned curtailments in continuation practice. Like Van Horn, Wamsley said that continuation filings are sometimes necessary, especially now that claim interpretation in the courts is so unpredictable and the doctrine of equivalents is less available to patent holders in infringement actions. IPO would grant the PTO "some room for reining in" excessive continuation applications, but would favor a "more modest reform" that eliminates abuse while retaining the availability of continuation practice.

Van Horn also took issue with the proposal for initial examination of only 10 representative claims. Why establish such a complex proposal across-the-board instead of targeting those applications that really present a problem, he asked. Nor did Van Horn support the PTO's "nightmare" proposal to require an examination support document for initial examination of any claim beyond the first ten. Apart from the high cost of preparing such a document, he said, it opens applicants up to potential charges of withholding or mischaracterizing references.

Wamsley agreed with Van Horn that the proposed ten-claim limit for initial examinations will not reduce application backlogs, adding that the examination

support document "won't be used" because it will prove "too risky" in subsequent patent litigation. I agree with this view.

There is no quick fix to the PTO's problems, Van Horn summed up, adding that it took the agency eight years to resolve a similar patent pendency crisis in the 1980s. Instead of the solutions proposed in the two rules packages, Van Horn suggested that the PTO (1) assign examiners to certain cases depending on their expertise; (2) refrain from focusing its review on every aspect of an application; (3) put a greater reliance on Patent Cooperation Treaty patent searches; (4) maintain greater control over "unity of invention" practice; and (5) expand the use of third party prior art submissions.

Proposed 37CFR1.78(d)(1) provides, in effect, that a claim for benefit under 35 U.S.C. 120, 121 or 365(c) is limited to "only a single prior filed application" and 37CFR1.78(d)(1) provides the "Office will refuse to enter, or will delete if present, any specific reference to the prior-filed application that is not permitted by paragraph (d)(1) of this section." Thus, only one continuation will be permitted under this rule. Exceptions are provided as, for example, by petition showing to the satisfaction of the Director that the amendment, argument, or evidence could not have been submitted during the prosecution of the prior-filed application.

Often applicants can foresee prosecution events such as discovery of prior art related to the invention. This can come after amendment of the claims in response to a prior office action whereby the discovery is cited to the applicants in a final office action. Such events cause the applicant to narrow or broaden the claims. Also, often it is advantageous to maintain a continuing application for business reasons when there is litigation and amendment of the claims may be necessary to clarify the invention in view of, for example, an infringer who has designed around the claimed subject matter. These are just two of many examples of the importance of the continuation application process.

The limited continuation procedure provided in Rule 78(d)(1) adds additional expense for applicants and an additional burden on the USPTO (e.g., the petitions proceedings). This is an unreasonable burden on the applicants (e.g., attorney and petition fees and delay in prosecution of the application), unnecessarily complicates the Rules and adds additional burden on the USPTO when such resources should be used to address reduction of the backlog of patent applications.

35 U.S.C. 120 provides benefit of an invention disclosed in a prior filed application or benefit of "an application similarly entitled to benefit of the filing date of the first application." Notwithstanding the possibility to petition to have a second continuation, proposed 37CFR1.78(d)(1) and (d)(3) denies benefit of "an

application similarly entitled to benefit of the filing date of the first application" accorded by 35 U.S.C. 120 and is accordingly contrary to the statute.

Most importantly, the limitations on the continuation process proposed in these rules is viewed as an unwillingness of the USPTO to provide a patent examination process that will enable patent applicants to pursue patents in a flexible manner to coordinate their patent prosecution and their business decisions. The USPTO charges for each application to cover the USPTO's costs. Limiting the number of applications clearly sends a message that the USPTO is unable to manage the backlog despite the fact that they recover their costs. It is logical to hire and train more examiners. It is not logical to add impediments to filing patent applications.

It is noted that the filing fees for continuation applications are the same as for regular applications, yet examiners have already read and searched the disclosure (in the parent application) such that continuation applications are disposed of at lower cost to the USPTO and help the examiners to achieve their production goals. Undoubtedly, implementation of the above-noted rule reducing the number of continuation applications is going to frustrate each examiner's achievement of his/her production goal and will actually negatively impact the funds available to the USPTO to examine applications. This works against maintenance of the USPTO's budget and a trained experienced staff of examiners. Rather than improve the backlog, limitation of continuations is likely to increase it.

Proposed 37CFR1.75(b) provides, in part, that "more than one claim may be presented provided they differ substantially from each other and are not unduly multiplied." The Courts have ruled that applicants may choose the number of claims appropriate for their application. See *In re Wakefield and Foster*, 164 USPQ 636 (CCPA, 1970) wherein the Court stated:

Moreover, there is no statutory authority for rejecting claims as being "unnecessary." For these reasons, an applicant should be allowed to determine the necessary number and scope of his claims, provided he pays the required fees and otherwise complies with the statute. This brings us to the board's view that the number of claims was so large as to obscure the invention, thereby failing to comply with the second paragraph of 35 U.S.C. 112. Again we disagree. Each appealed claim is relatively brief and clear in its meaning. Examination of forty claims in a single application may be tedious work, but this is no reason for saying that the invention is obscured by the large number of claims. We note that the claims were clear enough for the examiner to apply references against all of them in his first action. We conclude that the board erred in affirming the multiplicity rejection. (Emphasis Added.)

See also In re Flint, 162 USPQ 228 (CCPA 1969) wherein the Court stated:

The principles applicable to the present situation are well established and were stated by this court in In re Chandler, 50 CCPA 1422, 319 F.2d 211, 138 USPQ 138, 148:

* * * applicants should be allowed reasonable latitude in stating their claims in regard to number and phraseology employed. The right of applicants to freedom of choice in selecting phraseology which truly points out and defines their inventions should not be abridged. Such latitude, however, should not be extended to sanction that degree of repetition and multiplicity which beclouds definition in a maze of confusion. The rule of reason should be practiced and applied on the basis of the relevant facts and circumstances in each individual case. (Emphasis Added.)

The proposed action to limit the number of claims appears contrary to long standing case law.

It is noted that 35 U.S.C. 121 permits the Director of the USPTO to limit the claims to a single invention. But, there is no statutory authority that permits the Director to otherwise limit the number of claims of in an application. 35 U.S.C. 2(b)(2) permits the Director to make rules "not inconsistent with law."

The ability to file a continuation and to adjust the number of claims to fit the specific technology or client needs are important tools for providing patent protection. These tools have been available for decades. Removal of these tools will limit patent protection and harm U.S. industry.

An additional claims fee charge for claims in addition to ten is acceptable in that it would appear to increase the examiner's work. Such fee would be a much better alternative than the present above-noted proposed amendment.

For the above reasons, the rules limiting the number of continuations and number of claims are inconsistent with the law, harmful to patentees and assignees and is improper in view of the alternatives available, e.g., hiring, training and retaining additional examiners.

It is, respectfully, requested that these proposed rules be withdrawn and not be made effective.

Thanks, Rick Rezek (Reg. 30796)

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