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From: Tom Robbins [mailto:Thomas.Robbins@nrl.navy.mil]

Sent: Mon 5/1/2006 10:50 AM

To: AB93Comments

Cc:

Subject: Attn: Robert W. Bahr

Dear Mr. Bahr,

Please find the enclosed document, my personal comments responsive to the proposed rule changes published January 3, 2006.

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Dear Under Secretary Dudas:

I appreciate the opportunity to present my views on the notice of proposed rulemaking entitled "Changes To Practice for Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims." published in the *Federal Register* on January 3, 2006. I am a registered patent attorney employed by the Department of the Navy, the Office of General Counsel at the Naval Research Laboratory (NRL). The following is my personal opinion, and does not necessarily represent the opinion of the Department of the Navy or NRL.

It is respectfully submitted that the Patent and Trademark Office (PTO) lacks authority to "require that second or subsequent continuation or continuation-in-part applications include a showing as to why the amendment, argument, or evidence presented could not have been previously submitted," in order for an application to claim a right of priority under 35 U.S.C. §§ 120 or 363. Additionally, the PTO lacks authority to reject one claim of one application (that is commonly owned, has the same effective filing date, a common inventor and overlapping disclosures) over another claim of another application unless the PTO first establishes that the one claim is statutorily unpatentable or is unpatentable under the judicially created doctrine of obviousness-type double patenting.

Furthermore, the proposed rule changes, if implemented, would stifle technology transfer and inhibit innovation.

Entitlement to Priority

A filed continuation application is entitled to the filing date of its parent application, subject only to a specific reference to the earlier filed parent application.¹ Absent a statutory provision or judicially created authority, the PTO cannot promulgate regulations to restrict this statutory entitlement.² The proposed changes requiring a showing as to why the amendment, argument, or evidence presented could not have been previously submitted restricts the entitlements provided by, *inter alia*, 35 U.S.C. §§ 102 and 120 in a manner inconsistent with the law.

The comments in the *Federal Register* state that “there is not an unfettered right to file multiple continuing applications without making a *bona fide* attempt to claim the applicant’s invention,”³ and cites *In re Bogese*.⁴ However, the clear distinction between the ruling in *Bogese* and the proposed rule changes cannot be ignored.

It is true that in *Bogese*, the court held that “the PTO has authority to order forfeiture of rights for unreasonable delay.”⁵ In *Bogese*, the court develops this authority starting with *Symbol Technologies, Inc. v. Lemelson Medical*,⁶ stating that “in the context of an infringement case, this court recently held that the equitable doctrine of laches may

¹ As specifically recited in 35 U.S.C. § 120, “An 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. . . . The Director may establish procedures, including the payment of a surcharge, to accept an unintentionally delayed submission of an amendment under this section.” (Emphasis Added).

² As recited in 35 U.S.C. § 2(b)(2), the PTO “may establish regulations, not inconsistent with law, which . . .” (Emphasis Added). Further, Title 35 clearly sets out the legislative intent, by expressly indicating that that a person is entitled to a patent for an application: that is filed in compliance with 35 U.S.C. § 111; that includes a written description in compliance with 35 U.S.C. § 112; and that includes at least one claim in compliance with 35 U.S.C. §§ 101-103 and 112. Specifically, 35 U.S.C. § 102 explicitly recites that “a person shall be entitled to a patent unless . . .” (Emphasis Added).

³ First full paragraph in the third column of page 50 of the *Federal Register* published January 3, 2006.

⁴ 303 F.3d 1362, 64 USPQ2d 1448 (Fed. Cir. 2002).

⁵ *Id.* at 1369.

⁶ 277 F.3d 1361, 1368, 61 USPQ2d (BNA) 1515, 1520 (Fed. Cir. 2002).

be applied to bar enforcement of a patent that issued after unreasonable and unexplained delay in prosecution, even though the patent applicant complied with pertinent statutes and rules.”⁷ The court references the decision of the PTO Board of Patent Appeals and Interferences in *Ex parte Bogese II*⁸, stating that “the Board explained that the harm of extraordinary delay in prosecution is not only in delay in disclosure of the invention to the public but also the ‘deliberate delay of the term of any monopoly granted by a patent.’”⁹ The court extends this logic by stating that “the PTO has the authority to reject patent applications for patents that would be unenforceable under our holding in *Symbol Technologies*,”¹⁰ i.e., if there is unreasonable and unexplained delay in prosecution. However, the unreasonable and unexplained delay in *Bogese* was that the applicant Bogese “filed twelve continuation applications over an eight-year period and did not substantively advance prosecution of his application when required and given an opportunity to do so by the PTO.”¹¹ Further, it seems that the rationale (provided by the PTO in *Ex parte Bogese II* and adopted by the court in *Bogese*)¹² for abridging the entitlement under 35 U.S.C. § 120 are increasingly less likely to be factors because of the statutory lifespan changes¹³ and pre-grant publication changes¹⁴.

⁷ *Bogese* at 1367.

⁸ Appeal No. 1998-1360 (Bd. Pat. Apps. & Int., Sep. 25, 2000).

⁹ *Bogese* at 1366.

¹⁰ *Id.*

¹¹ *Id.* at 1369.

¹² Delay of disclosure of the invention to the public and delay of the term of any monopoly granted by the patent.

¹³ 35 USC 154(a)(2)(2000) (“[A] grant shall be for a term beginning on the date on which the patent issues and ending 20 years from the date on which the application for the patent was filed . . . or, if the application contains a specific reference to an earlier filed application or applications . . . from the data on which the earliest application was filed.”).

¹⁴ 35 USC 122(b)(1)(A) (2000) (“Each application for a patent shall be published . . . promptly after the expiration of a period of 18 months from the earliest filing date for which a benefit is sought under this title.”).

Therefore, the only judicially created authority for the PTO to restrict the entitlement under 35 U.S.C. § 120 is the authority to reject a patent application that, if issued as a patent, would have been unenforceable under the holding in *Symbol Technologies*, i.e., an unreasonable and unexplained delay in prosecution (filing twelve continuation applications over an eight-year period and not substantively advancing prosecution in an application filed before June 8, 1995¹⁵). The court in *Bogese* more specifically limits application of this judicially created authority for the PTO by distinguishing when it is not applicable. Specifically, the court states that “[a]n applicant’s attempt to obtain new claims directed to inventions that he or she believes are fully disclosed and supported in an earlier application, however, is easily distinguishable from appellant’s failure to further the prosecution of his application toward the issuance of any claims.”¹⁶

It is clear that the proposed rule change limiting a right of priority is inconsistent with the explicit entitlements provided by 35 U.S.C. §§ 102 and 120. Further, as discussed above, it is clear that the proposed rule change additionally transcends the judicially created authority for the PTO to restrict the entitlement under 35 U.S.C. § 120. Therefore, in light of 35 U.S.C. § 2(b)(2), the PTO cannot promulgate such a rule.

Presumption of Patentably Indistinct Claims

The rebuttable presumption described in the proposed rule changes¹⁷ improperly shifts the burden of proof of patentability from the PTO to the applicant. Because of the entitlements granted by Congress in Title 35 as described above, an application is entitled to a patent unless and until **proven** otherwise by the PTO. If the PTO determines that a claim is unpatentable, for example under 35 U.S.C. § 101 or under the judicially created doctrine of obviousness-type double patenting, then the case should be made by the PTO in accordance with 35 U.S.C. § 132 and the claim should be rejected.

¹⁵ The date on which the provisions under 35 USC 154(a)(2) and 35 USC 122(b)(1)(A) take effect.

¹⁶ Id. at 1369.

¹⁷ See for example, proposed rule 37 C.F.R. § 1.78(f)(2).

The proposed changes providing a rebuttable presumption requiring either an explanation to the Director or terminal disclaimer restricts the entitlement provided by, *inter alia*, 35 U.S.C. §§ 101 and 102 in a manner inconsistent with the law. Because the PTO may not make regulation inconsistent with the law, the proposed changes cannot be promulgated.

Stifling Technology Transfer and Inhibiting Innovation

The Department of the Navy has recognized the importance of fundamental scientific research and further recognized that industry could not shoulder this fundamental research alone.¹⁸ The Naval Research Laboratory¹⁹ (NRL) is the flagship research facility for the Office of Naval Research (ONR).²⁰

It is a mission of the NRL to conduct basic research and transfer the results of the basic research to industry. Once in the hands of industry, which is driven by competition and fueled by efficiency, the transferred results of the basic research would ideally be developed into technology that may be used to advance not only the Department of the Navy, but the broader Department of Defense and all departments of the Executive branch. If the research results are not successfully transferred to industry, then the technology is less likely to be developed, which will likely retard the technological advancement of at least the Department of the Navy. It is critical to the Department of the Navy, and therefore the defense of the United States, for the research conducted by

¹⁸ “Science now requires more research than private enterprise can support. Universities can no longer depend on the generous endowments of prewar days. Their staffs are inadequate. Industry is supporting more and more research, but industrial laboratories will always be more concerned with development (as I have defined it) because industry’s primary job will always be to produce. The tools of research are becoming more expensive. The government must therefore tend public assistance if the national interest is to be served, but this assistance must not degenerate into domination.

“It is in accordance with this philosophy that the activities of the Office of Naval Research are conducted. The responsibilities of the Navy for the national security justify the expenditure of naval funds for research, since otherwise new developments will wither on the vine.”

Excerpts from the Navy Day address given by CAPT Robert Dexter Conrad, Director, Planning Division, Office of Naval Research, at the University of Illinois, Urbana. October 27, 1946. CAPT Conrad was a primary architect of the Office of Naval Research and established the contract research program with universities.

¹⁹ NRL began operations at 11:00 a.m. on July 2, 1923.

²⁰ Established 1946.

the Department of the Navy to be successfully transferred to industry for further development.

Furthermore, some research at the NRL lends itself to so-called dual-use technology, i.e., technology that may be used for military and civilian purposes. Such research includes the areas of synthetic plasma (blood), retinal implants and hyper-spectral imaging that may be used to identify pre-cancerous skin cells and diseased crops. Such dual-purpose research areas advance the well being, safety and/or quality of life of the public, and therefore are a much-desired benefit to the public. Accordingly, it is beneficial to the public for the dual-use research conducted by the Department of the Navy to be successfully transferred to industry for further development.²¹

By statute,²² the NRL has an office (the Technology Transfer Office) that is dedicated to transferring the research and technology established by the NRL to industry for further development. In fact, it “is the mission of the Technology Transfer Office to facilitate the implementation of the NRL’s innovative technologies in products and services to benefit the public.”²³ The NRL has been authorized by the Department of the Navy to negotiate licenses for the use of patented technologies of the Department of the Navy.²⁴ Patent licensing agreements are one of the primary mechanisms by which the NRL transfers its technologies to the public sector.²⁵

²¹ Many results of ONR research are classified, designed to answer specific military problems. Many benefits, however, occur from this research that are beneficial to the nation at large. New basic scientific information eventually benefits all society. . . . These findings then funnel down to the public through better production techniques, better materials, and better products. ONR also turns over much of its information to industry to encourage more efficient production at rates that will benefit the government.

Ten Years of Naval Research The Decennial of ONR

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²² See 15 USC § 3710(b)(2), which states, *inter alia*, that “each Federal agency which operates or directs one or more federal laboratories shall make available sufficient funding . . . to support the technology transfer function at the agency and at its laboratories. . .”.

²³ NRL Office of Technology Transfer mission statement.

²⁴ *Id.*

²⁵ *Id.*

As discussed above, much of the research and technology developed at the NRL is basic. Accordingly, there is no developed market for much of the research and technology. In many cases, a company will need to invest much time, effort and money to further develop the technology to fit, or even develop, a particular market. The company is far less likely to invest capital into an undeveloped yet patented technology if that company cannot stake out a claim of protection to increase its ability to recoup the initial investment without permitting a competitor to copy the technology after a market is created. In short, a company will only sow risks, if it is likely to reap the rewards. These risks are decreased when the company has the ability to change products or services to account for unexpected changes in the market and to protect those changed products or services with patents. The current continuation practice enables such protected changes and thus fosters technology transfer from basic research to market.

The proposed rule changes discussed above²⁶ will reduce an ability to protect future developments in a market, even if those future developments would otherwise have been eligible for patent protection based on an original disclosure. A business decision to pursue a particular claim in an original application in order to enter or develop a market should not preclude a future opportunity to pursue another distinct claim in a continuation application that has been sufficiently disclosed in the original application.

Redaction of the present entitlement of the ability to obtain future protection of originally-disclosed material will decrease the number of investors for technological development. A decrease in investors for technological development will lead to an increase of fallow patents based on basic research and technology. The increase of fallow patents equates to a decrease in overall technology transfer. A decrease in overall technology transfer will stifle innovation.

²⁶ 1) Requiring that second or subsequent continuation or continuation-in-part applications include a showing as to why the amendment, argument, or evidence presented could not have been previously submitted in order for an application to claim a right of priority under 35 U.S.C. §§ 120 and 363; and 2) rejecting a claim of one application (that is commonly owned, has the same effective filing date, a common inventor and overlapping disclosures) over another application without the PTO first establishing that the claim is statutorily unpatentable or is unpatentable under the judicially created doctrine of obviousness-type double patenting.

In light of the above . . .

The PTO lacks authority to promulgate the proposed rule changes. In any event, such rule changes would stifle innovation by inhibiting basic research and technology from being transferred into industry. For these reasons, I request that PTO do not adopt the proposed rule changes.

Very Respectfully,

A handwritten signature in blue ink that reads "Thomas D. Robbins". The signature is written in a cursive style with a horizontal line underneath the name.

Thomas D. Robbins
Registration Number 43,369