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From: Conny Willesen [mailto:Conny_Willesen@bstz.com]

Sent: Wednesday, April 12, 2006 7:07 PM

To: AB93Comments

Subject: Letter on PTO rule change

See attached letter from Ed Taylor and Dan De Vos. Thank you.

Ed Taylor and Dan De Vos, members of, but not on behalf of,

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April 12, 2006

Mail stop: Comments-Patents
Commissioner of Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Also submitted by electronic mail to AB93 comments at uspto.gov

Dear Commissioner:

These comments by the two individual practitioners are based on a collective 45 years of practice before the PTO. They do not, however, necessarily represent the opinion of other members of our firm or our firm's clients.

The PTO should be applauded for this attempt to curb the current continuation practice. This practice is an embarrassment to our legal system. It encourages too many attorneys to stretch beyond reality the bounds of their clients' inventions and to transform patent prosecution into a game. As a consequence, patents issue with claims having little or no support in the specification, with total disregard of the written description requirement, and without the slightest chance that they will advance the cause of science. Too often the flimsiest of inventions end up with major holdings in a technology. It should not be overlooked that the public bears the ultimate burden of the exaggeration of inventions encouraged by the continuation practice.

After explaining to a client that we could allow a patent to issue, wait and see what its competitors do, and then attempt to draft claims encompassing the competitor's products, we have been asked on more than one occasion, "Is this legal?" Even to a layman, the continuation practice appears absurd, dishonest, and contrary to common sense. Foreign attorneys look at our continuation practice and shake their heads in disbelief.

Having taken such a strong position against the continuation practice, nonetheless there are a few points we wish to suggest to mitigate the effects of the proposed rules.

1. Often attorneys use a CIP application to correct errors discovered after the filing of a non-provisional application. Inventors sometimes spend more time reading the application after it has been filed, or when required to execute a Declaration after the receipt of a Notice to File Missing Parts. Errors are frequently found at this time which are corrected with a CIP application. This practice should be encouraged and should not count towards the applicants' subsequent right to file a continuation or RCE. It is suggested that each applicant be allowed a single CIP within 90-days of the filing of a non-provisional application where the parent is abandoned; which CIP does not count as the single continuation allowed without providing justification under 1.78(d)(1)(iv). This should not present any burden on the examining staff.
2. With regard to the "good and sufficient reason" standard for allowing two or more pending non-provisional applications naming at least one inventor in common with

patentably indistinct claims, and with regard to the showing as to why a second continuation application (or RCE) “could not have been” previously submitted, there must be consistency in the application of these standards. We suggest that petitions for this determination be handled by the same group in the petitions branch and not by the examining staff. If each examiner is able to decide, for instance, what could or could not have been presented earlier, the door is opened to abuses and inconsistent enforcement of the rules. Examiners may be subjected to harassing interviews and repeated requests, all of which have nothing to do with substantive examination. For the proposed rules to work, there must be uniform interpretation which cannot come about with hundreds of examiners, most of whom have no legal training, attempting to apply legal standards. It will not be possible to furnish examiners with a sufficient number of examples to even begin to scratch the surface of the justification applicants will try. It will be intolerable if some examiners grant additional continuations under the same facts that another examiner finds insufficient. If there is inconsistent application of the standard, much of the gain sought by the proposed rules will be lost and there will be maneuvering by applicants within the examining staff to seek favorable decisions.

3. With regard to 1.78(d)(1)(iv)
 - a. To improve clarity, indicate that delayed evidence, arguments, or amendments that could not have been presented earlier under 1.78(d)(1)(iv) includes any such items directed at any unexamined dependent claims due to designation of claims as required under 1.75 (e.g., a 112 rejection to a dependent claim first raised in a continuing application).
 - b. To improve clarity, indicate that delayed evidence, arguments, or amendments that could not have been presented earlier under 1.78(d)(1)(iv) includes any divisional resulting from a restriction requirement given for the first time in a continuing application.

4. With regard to 1.78(f)(1)
 - a. To improve clarity, specify a mechanism for situations in which applicant unintentionally fails to identify an application. How is this cured? Can it be cured after issuance? If so, does it require a reexam? What effect does such a cure have (e.g., abandonment)? Will this be handled under the existing inequitable conduct standard of materiality?
 - b. The identification of other applications under 1.78(f)(1) may be made in the cross references section of the application or in a separate paper. Applicants will likely choose the later to avoid the accessibility to file wrappers for non-issued, non-published patent applications. However, a separate paper can be more easily overlooked and lost. To increase utility and decrease burden, it is

proposed that the rules be amended to require this identification be in the cross references section of the application AND that publication/issuance of such identification not be considered a reference in a publication/issued patent that provides access to unpublished applications/file histories.

- c. The identification of applications within a two month period, regardless of a substantial overlap in disclosure, is overly burdensome on both the examiner and the applicant. Specifically, for some inventors, this will require identifying a significant number of applications for which there is no overlap. The examiner will need to review each and make a determination as to which have a substantial overlap, and then determine if 1.78(f)(2) applies. Also, it is difficult to see how the two month window is very effective at meeting the goals of these rule changes. To alleviate these burdens, it is proposed that 1.78(f)(1) additionally require some overlap, the same filing date and/or the same inventive entity.

5. With regard to 1.78(f)(2-3)

- a. It is not uncommon for inventor(s) to invent two different patentable ideas that are patentably distinct, but that can be used together. In this situation, practitioners want to draft a separate independent claim to each of these patentable ideas, while also having dependent claims that combine them (e.g., independent claim 1 to only idea A; dependent claim 2 to idea B creating A+B; and independent claim 3 to only idea B). Previously, practitioners

would put all of these claims in one application (e.g., a patent application with 40 claims). However, the higher excess claim fees have created an environment where practitioners want to file two separate applications (each with 20 claims) because: 1) it is often less expensive (two 20 claim applications is less expensive than one 40 claim application); 2) when the single application (with 40 claims) receives a restriction requirement and applicant must elect fewer claims (e.g., thereby reducing to 20 elected claims) and file a divisional (e.g., the non-elected 20 claims), the applicant ends up filing both: a) an application with excess claim fees, but the non-elected claims do not get examined, and b) a divisional in which the applicant pays again for the non-elected claims. In the above multiple invention scenario, these new proposed rules effectively remove the option of filing two separate applications, and thus effectively force applicants to file a single application with excess claim fees, which applicant gets no benefit of if a restriction is required. This burden is further exasperated by the selection of representative claims under 1.75 (under which applicant will not receive examination beyond the maximum of 10 claims until the case is in condition for allowance). This is an undue burden on the applicant. Below are several proposed options for alleviating this burden while still meeting the goals indicated in these new rules:

- i. Option 1: In view of a restriction requirement, give credit for payment of any excess claim fees in any divisionals filed.
 - ii. Option 2: Charge only for independent and any designated dependent claims at the time of filing; and then charge any excess claim fees for other claims as part of the issue fee.
 - iii. Option 3: Allow applicant to submit a document at the time of filing similar to 1.75 (b)(3)(iii) and pay for only the claims elected without traverse (subject to approval by the examiner).
 - iv. Option 4: Structure rule 1.78(f) such that, in the above scenario, if two separate applications are filed they will not be considered patentably indistinct, or at least will not be subject to forced combination (see next item).
- b. To improve clarity, specify what test will be used when determining what is patentably indistinct to overcome the presumption and what test will be used when determining if a reason will meet the satisfaction of “conflicting” or patentably indistinct claims should be maintained. It is proposed that, to avoid a requirement to combine the applications (i.e., explain why there are patentably indistinct claims in multiple applications under 1.78(f)(2)(ii)), the applicant may show 1-way distinctness (not the two-way obviousness test).¹

¹ This is not inconsistent with *In Re Berg* 140.F.3d 1428, 1434, 46 USPQ2d 1226, 1231 (Fed. Cir. 1998) since the two-way obviousness test is being applied to determine whether patentably indistinct claims should be

The applicant may then file a terminal disclaimer. Also, it is proposed that, to avoid having to file a terminal disclaimer (i.e., explain how the claims are patentably distinct under 1.78(f)(2)(i)), the applicant must show the claims would have received a restriction requirement (MPEP 803) had they been filed in a single application. (see Appendix A)

- c. 1.78(f)(2)(ii) as written may be inappropriately applied due to potential confusion regarding applicability of the last sentence. It is proposed that the language of the rule be changed to replace the period with an “, and.”

6. With regard to 1.75(b)(3)

- a. It is proposed that to improve clarity, specificity be added regarding how an examiner approves the suggested restriction and what occurs if it is not approved.

7. With regard to 1.105(a)(1)

- a. Applicant’s reluctance in identifying where in the specification of the application 112 support exists, stems from the fact that courts often treat this as limiting, even though the examiner does not. Even if ignored by the courts, it is proposed that additional language be added to the rules to the effect that such identification of information is not to be used to read limitations into the claims.

8. With regard to the retroactivity of changes, it is proposed that all cases subject to this retroactivity automatically be considered to fall under 1.75(b)(3).

If you have any questions, please call us at (408) 720-8300.

Very truly yours,
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EHT/DMD/cw

Appendix A

- 1. Specify that, to avoid a requirement to combine the applications under 1.78(f)(3), the applicant must show 1-way distinctness (not the two-way obviousness test). The applicant may then file a terminal disclaimer (under 1.78(f)(2)(ii)).**

To be entitled to file a terminal disclaimer under 1.78(f)(2)(ii), the applicant must explain to the satisfaction of the Director why there are two or more pending applications which contain patentably indistinct claims. Proposed § 1.78(f)(2)(ii) fails to define the standard that will be used to determine whether an explanation is “to the satisfaction of the Director.”

Effect: Claims which fail the two-way obviousness test are no longer entitled to a terminal disclaimer, but instead must be combined into a single application. More applications will be combined than they are under current practice.

- 2. Specify that, to avoid having to file a terminal disclaimer, the applicant must show the claims would have received a restriction requirement (MPEP 803) had they been filed in a single application.²**

To be rebut the presumption (and not be required to either combine the applications or to file a terminal disclaimer), the applicant must explain “to the satisfaction of the Director how the application contains only claims that are patentably distinct from the claims of each of such other pending applications or patents.” The term “patentably indistinct” is ambiguous because the MPEP defines the term differently in different sections.³

Effect: More applications will be bound by terminal disclaimers than under current practice. Consistent results whether claims are initially filed in a single application (and would be divided into two applications unbound by a terminal disclaimer), or in more than one

² Thus, a successful rebuttal may explain, for example:

- how the claims fall into different statutory categories (*see* MPEP 806.05);
- how the claims are independent or distinct as claimed and how the Examiner would be seriously burdened, e.g. due to separate searches (*see* MPEP 803.I); or
- any other restriction requirement analysis relevant to the claims at issue.

³ The Interference Chapter defines “patentably indistinct” as the “same invention,” which is defined in the Statutory Double Patenting sections as “identical subject matter.” (*See* MPEP 2301.03, 804.II.A). On the other hand, the Nonstatutory Double Patenting sections define “not patentably distinct” as being analogous to “obvious” under the 35 U.S.C. §103. (*See* MPEP 804.II.B). The Restriction sections, however, in providing criteria for “patentably distinct inventions,” state that related inventions are distinct as claimed if “at least one invention is patentable (novel and nonobvious) over the other.” (*See* MPEP 806, 802.01, *emphasis* deleted).

applications (and should remain in more than one application unbound by a terminal disclaimer).

How these recommendations affect various scenarios:

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|---|---|
| <p>SCENARIO I – applicant entitled to 1.78(f)(2)(i) - 2 separate applications <u>without terminal disclaimer</u> because applicant successfully explained how the claims would have received a restriction requirement had they been filed in a single application</p> | |
| <p><u>Application A</u></p> | <p><u>Application B</u></p> |
| <p>Independent claim 1: Device A</p> | <p>Independent claim 2: Method of making Device A</p> |

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|--|--------------------------------------|
| <p>SCENARIO II – applicant entitled to 1.78(f)(2)(ii) - 2 separate applications <u>with terminal disclaimer</u> because applicant successfully explained how the claims are distinct in at least 1 direction (1-way distinctness, not 2-way obvious but still be 1-way obvious (i.e. still patentably indistinct)), even though claims would not have been subjected to a restriction requirement (e.g. not separate statutory category).</p> | |
| <p><u>Application C</u></p> | <p><u>Application D</u></p> |
| <p>Independent claim 3: Device B Dependent claim 4: Device B connected to Device C</p> | <p>Independent claim 5: Device C</p> |

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| <p>SCENARIO III – applicant NOT entitled to either 1.78(f)(2)(i) or 1.78(f)(2)(ii) - Claims may be eliminated under § 1.78(f)(3) (i.e. combined into one application) because applicant failed to show even 1-way distinctness (claims are 2-way obvious)</p> | |
| <p><u>Application E</u></p> | <p><u>Application F</u></p> |
| <p>Independent claim 6: Device D Dependent claim 7: Device D connected to Device E</p> | <p>Independent claim 8: Device E Dependent claim 9: Device E connected to Device D</p> |