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From: Bob Vanderhye [mailto:ravar@nixonvan.com]  
Sent: Monday, January 23, 2006 1:38 PM  
To: AB93Comments  
Subject: Comments of Robert Vanderhye on Proposed Rules

The attached provides my comments, in Word format, on the proposed new rules regarding continuing applications.

Comments of Robert A. Vanderhye to Proposed Rules of the Patent & Trademark Office  
regarding “Changes to Practice for Continuing Applications,...”; RIN 0651-AB93  
[Docket No. 2005-P-066]

These comments are made by Robert A. Vanderhye, individually, as a former patent examiner [1968-1973], as a registered patent attorney [Reg. #27,076] for more than 30 years, and as an independent inventor [14 issued or pending patents]. They are not made on behalf of, and do not necessarily reflect the views of, my former law firm, Nixon & Vanderhye P. C.

My remarks should be prefaced by stating that in the more than 30 years I have prosecuted cases before the PTO I recall only two instances in which I filed more than one continuation application. My normal procedure, in the literally thousands of patent applications I have prosecuted, is to get the case to allowance or appeal as soon as possible. That has no bearing on the propriety of filing more than one, however, or the expense or trouble one should have to go through to file more than one continuation.

**Summary of Comments:**

- (1) The entire reasoning of the PTO regarding the adverse effects continuations have on examination is erroneous.
- (2) The PTO does not have authority to make the changes suggested under the rule making provisions of 35 USC §2(b)(2) since they are inconsistent with law.

**Detailed Comments:**

**(1) The entire reasoning of the PTO regarding the adverse effects continuations have on examination is erroneous**

The PTO suggests on page 50, 1<sup>st</sup> column, of the Federal Register notice [hereafter “FR”] that about 30% of the new applications filed in fiscal year 2005 were some sort of continuing application, and concludes from that 30% of the patenting examining resources must be applied to examining reworked earlier applications. There is no basis in logic or fact for this assumption.

Applications examined for the first time require reading at least the claims (and hopefully the entire specification though many examiners do not do that) of the application, a search, and an original analysis of the patentability of the claims and compliance of the application with formalities. None of these exist for continuation applications (although they may for continuation-in-part or divisional applications). When I was an examiner I was able to examine a continuation application in between 5-40% (I would say on average 15-20%) of the time it took me to examine a new application. I see no reason why the same isn’t as true today. If the PTO is having trouble examining all the applications that are filed it should hire more examiners.

Further, the attempt to lump CIP applications with regular continuation applications (or requests for continued prosecution) is misguided. I am aware of no one that files a CIP application unless the inventor came up with something new. CIPs by their very nature include something that was not disclosed before. Therefore requiring

someone to pay a petition fee, and increase prosecution costs, by having to prepare and submit a petition is unjust, no matter how many continuations or requests for continued prosecution have been filed.

The PTO has also failed to consider the costs to the inventors and assignees for the new procedures. The filing fees the PTO now receives for continuations and requests for continued prosecution is “gravy” since the PTO likely expends only about 20% of the resources necessary for examining an original application to examine a continuation, yet gets just as much money. If the continuation practice is greatly reduced this will mean that fees for everyone – now subsidized by those (unlike me) who drag out prosecution for one reason or the other – will go up faster than they otherwise would, or the PTO will have a shortfall. I don’t want either of these – increased fees or a shortfall – to occur. People like me who expeditiously prosecute will, however, in those rare instances when more than one continuing application is necessary, end up having to pay more for petitions fees and preparation of petition papers than we do now.

In summary, the PTO cannot justify its proposed new rules on increasing efficiency of examining new applications, and the new rules will result in increased patent fees for everyone.

(2) The PTO does not have authority to make the changes suggested under the rule making provisions of 35 USC §2(b)(2) since they are inconsistent with law

Under 35 USC §2(b)(2), the PTO “may establish regulations, not inconsistent with law”. The proposal to arbitrarily limit the number of continuations that may be filed absent the payment of an additional petition fee is inconsistent with statutory and case law on the subject.

a) Nowhere in 35 USC §120 is there any support for the proposed new rules. Rather the statutory language is clear – it says “An application...” (i. e. ANY application) “shall have the same effect...” (not “may, if the PTO wants it to, applying criteria nowhere set forth in the rest of the statute or case law, have the same effect”).

b) Further, not only does *In re Bogese*, 303 F.3d 1362, 64 USPQ2d 1448 (Fed Cir 2002) not support the PTO’s proposed rulemaking authority here (as alleged on page 50, third column, of the FR), it fact it says that the PTO does not have such authority.

Page 50, 3<sup>rd</sup> column, of the FR notice states that *Bogese* at 303 F.3d 1368, n.5, says the PTO has inherent authority to do what it is doing here. Not so. Footnote 5 of *Bogese* provides: “Although the PTO, both in the Board decision below and in its brief on appeal, relies on 37 C.F.R. § 1.111 as supporting its action, *Ex parte Bogese II*, slip op. at 37, n.14, Appellee’s Brief at 4, 18, 38, 43, 49, and 50, that section appears to be inapplicable here. That section provides “[t]he applicant’s or patent owner’s reply must appear throughout to be a bona fide attempt to advance the application . . . to final action.” 37 C.F.R. § 1.111(b) (2001) (emphasis in original). The cited section, both as it existed in 1995, and currently, applies to replies to Office actions. See 37 C.F.R. § 1.111(a) (1995) (“After the Office action, if adverse in any respect, the applicant or patent owner, if he or she persists in his or her application for a patent or reexamination proceeding, must reply thereto and may request reconsideration or further examination, with or without amendment.”); 37 C.F.R. § 1.111(a)(1) (2001) (“If the Office action after

the first examination (§ 1.104) is adverse in any respect, the applicant or patent owner, if he or she persists in his or her application for a patent or reexamination proceeding, must reply and request reconsideration or further examination, with or without amendment."). Section 1.113 effectively defines a reply as including an appeal, amendment, or petition. See 37 C.F.R. § 1.113(a) (2001) ("On the second or any subsequent examination or consideration by the examiner the rejection or other action may be made final, whereupon applicant's, or . . . patent owner's reply is limited to appeal in the case of rejection of any claim (§ 1.191), or to amendment as specified in § 1.114 or § 1.116. Petition may be taken to the Commissioner in the case of objections or requirements not involved in the rejection of any claim (§ 1.181).") However, a file wrapper continuation application, governed by section 1.60 of the 1995 regulations, is not included with the definition of a reply. While section 1.111 recognizes the general requirement of good faith in prosecution, its terms are not directly applicable to file wrapper continuation applications." As the underlined portion makes clear, note 5 does not suggest the PTO has authority to limit continuation applications, but rather suggests it does not.

The following portion of the dissent in *Bogese* more clearly sets forth the law, and was not disagreed with by the majority opinion (even though the majority came to a different ultimate conclusion): "If a change in the statutory rules of prosecution is deemed appropriate, it should be processed legislatively.... The already burdensome and expensive path to a patent does not benefit from the added encumbrance of an unguided bar that can be imposed as a matter of administrative discretion. The potential abuse in the administrative process appears to far transcend the wrong to be remedied. Amid the complex procedures of patent examination, statute-based rules are preferable to the "unbounded jurisdiction" of the patent examining corps relying on personal views of "equity"..." Nowhere, however, has an agency been authorized to impose, in its discretion, restrictions contrary to the statute that governs agency action."

The situation in *Bogese* was a true laches situation. It has nothing to do with the proposed rules – rather it deals with an entirely different situation, with entirely different underpinnings and reasoning. Also in *Bogese* the burden was on the PTO to demonstrate that there was laches. The new rules propose to put the burden on the applicant to prove that there is no laches in a situation where there should be no presumption of laches.

The PTO's analysis in the FR also fails to take into account case law of the Federal Circuit subsequent to *Bogese*. In *Symbol Technologies, Inc. v. Lemelson Medical, Education & Research Foundation, LP*, 422 F.3d 1378, 76 U.S.P.Q.2d 1354 (Fed Cir 2005) the Court found that there were many legitimate reasons for filing continuing applications. In part the Court held: "Filing a divisional application in response to a requirement for restriction is one such legitimate reason for refiling a patent application. Given one's entitlement to claim an invention in various ways, and the PTO's practice of limiting its examination of an application to only one of what it considers to be several inventions, it cannot, without more, be an abuse of the system to file divisional applications on various aspects that the PTO has considered to be separate and distinct from each other. See 35 U.S.C. § 121 (2000); 37 C.F.R. § 1.142 (2005); see also Manual of Patent Examining Procedure §§ 803, 818 (8th ed., rev. 2 2004). That is so even when one defers the filing of a divisional application until just before the issuance of the parent application. Such action is expressly allowed by statute. 35 U.S.C. § 121. Moreover, one might legitimately refile an application containing rejected claims in order to present

evidence of unexpected advantages of an invention when that evidence may not have existed at the time of an original rejection. Commonly, and justifiably, one might refile an application to add subject matter in order to attempt to support broader claims as the development of an invention progresses, although entitlement to an earlier filing date for any claimed subject matter may of course be necessary to avoid a statutory bar created by intervening events outlined in 35 U.S.C. §§ 102 and 103. One may also refile an application even in the absence of any of these reasons, provided that such refiling is not unduly successive or repetitive.

However, refiling an application solely containing previously-allowed claims for the business purpose of delaying their issuance can be considered an abuse of the patent system. See *Bogese*, 303 F.3d at 1368-69 (discussing *Ex parte Hull*, 191 USPQ 157 (Bd. Pat. App. & Interfs. 1975)). In particular, multiple examples of repetitive refilings that demonstrate a pattern of unjustifiably delayed prosecution may be held to constitute laches”.

Thus, the Federal Circuit has clearly stated that only if there is laches may the PTO deny one the benefit of the filing of multiple continuation applications, and the burden is on the PTO to demonstrate laches by a “pattern”, etc.. No pattern can occur upon the filing of two continuation applications. Further, the PTO cannot impose by regulation a burden of proof different than that required by the statute and case law.

c) Also the standard set forth in the proposed new rules for allowing second or further continuations, namely “a showing to the satisfaction of the Director that the amendment, argument, or evidence could not have been submitted prior to the close of prosecution in the application”, is unduly harsh and arbitrary. The whole purpose of filing continuations is so that one cannot or does not have to make this showing in the previous application. Thus, in practice this standard will put a definitive, arbitrary, limit of one continuation application for each new application filed. Thus in practice there will be the *per se* limit on continuations that the PTO itself recognizes is prohibited by *In re Hogan*, 559 F.2d 595, 603-5 (CCPA 1977) and *In re Henrikson*, 399 F.2d 253, 262 (CCPA 1968) [see page 50, 3<sup>rd</sup> column of the FR].

In summary, if the new rules are adopted, they will be challenged in Court, and the PTO will lose. Any action taken by the PTO in the interim will be null and void, and the result will be a greatly enhanced burden on the PTO, which will slow down examination of new applications much more than the examination will allegedly be enhanced by the adoption of the new rules. Therefore I urge the PTO to withdraw the proposed new rules relating to continuing applications.

Sincerely,

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