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**From:** Daniel Baker [mailto:sweet\_virtuoso@yahoo.com]

**Sent:** Wednesday, May 03, 2006 1:48 PM

**To:** AB93Comments

**Subject:** USPTO Proposed Rules

To:

AB93Comments@USPTO.gov

Attn:

Robert W. Bahr

Senior Patent Attorney,

Office of the Deputy Commissioner for Patent Examination Policy

United States Patent and Trademark Office

Re:

Comments on USPTO Proposed Rules for Continuing Applications

Sir:

I oppose the proposed rule changes

The proposed rule changes (published on January 3, 2006) should not be adopted. One skilled in the art of sound patent policy would likewise reject the Office's unnecessary proposals.

The proposed rules purposely have the impact of making it more difficult for an applicant to file a continuing application (i.e., continuation, RCE, CIP, or divisional). The evidence presented by the Office for the rules change originates from an allegation that in 2005 approximately 30% of filed applications were continuing applications. The motivation provided by the Office for the proposed changes is based on the further allegation that had the proposed rules been effective in 2005 the application backlog would have been reduced. The Office states that the changes "would permit the Office to apply the patent examining resources currently absorbed by these applications to the examination of new applications and thereby reduce the backlog of unexamined applications" and "revise the rules of practice to assure that multiple continued examination filings from a single application do not absorb agency resources unless necessary for effective examination."

The stated need for the rules change is without merit

The Office conveniently does not compare the relied upon records from 2005 with those of prior years. Regardless, the alleged ability to reduce the current application backlog is based on maintained generation of current revenue. The Office neglects to take into account the 30% loss in yearly filing/examination revenue due to the loss of continuing applications with the proposed changes. It is unlikely that the Office would have sufficient resources to reduce the current application backlog as predicted. Unfortunately, the revenue loss would probably be made up in even higher imposed fees.

The Office confuses the issue

In discussing the proposed rules, the Office incorrectly correlates an "application" to a "single invention." For example, a stated goal of the proposed changes is to require an applicant "to advance the application to final agency action." However, applications conventionally have multiple inventions. Terminating the application (without the ability to file a continuing application) would likewise terminate the ability to obtain patent coverage on the other inventions disclosed therein.

#### The proposed changes are a heavy burden on applicant

The revised rules push an applicant having a multi-invention disclosure to either (a) claim all of the inventions in a single application or (b) simultaneously file multiple applications with each application claiming a separate invention.

Option (a) has the negative consequence that extra claim fees would be paid to the Office in vain just to have the extra claims (which recite the extra inventions) restricted out. For example, with 50 claims needed to cover 5 inventions, the fee for 30 extra claims would be wasted. Additionally, the need to claim all of the different inventions within only 10 claims (which is another separate proposal by the Office) would prevent other important subject matter from being claimed.

Option (b) has the negative consequence that an explanation would have to be provided of how the claims in each application are patentably distinct from the other sets of claims in the other applications. An extra burden would be placed on the applicant to show that the different inventions would have been restricted from each other had they been in a single application. If the Office disagreed with the explanation, then the applicant would have to file a terminal disclaimer and further explain (if even possible) why there are patentably indistinct claims in multiple applications. The Office's proposal discussion does not state what constitutes valid explanations. The issue of explanation remarks with regard to prosecution history estoppel have not been addressed.

#### The proposals are vague and indefinite

The revised rules would require that second or subsequent continuing application filings (i.e., a continuation, RCE, or CIP) be supported by a showing as to why the amendment, argument, or evidence presented could not have been previously submitted. The "showing" would have to meet the "satisfaction of the Director." However, the proposed changes are unclear as to what constitutes a proper "showing." No boundaries or examples are provided.

#### The proposed fees are excessive

Along with filing a valid explanation, an applicant would also need to pay a \$400 petition fee. It is unclear why this fee is necessary. For example, it is inherent in the definition of a CIP that it contains new subject matter, i.e., subject matter that was not in the parent application. The Office has not explained why a CIP applicant would have to pay a \$400 petition fee simply to state that the new subject matter (which by definition couldn't have been previously claimed) is being claimed.

#### Small businesses will be prejudiced

The changes proposed by the Office clearly hurt small businesses. Under proposed rule 1.78(a)(3) a divisional would be limited to an application that claims only an

invention that was previously subject to a restriction or lack of unity requirement by the Office, and was not elected for examination in the prior application.

This is impractical from a small business viewpoint. Again, an application conventionally has multiple inventions. For example, an entire product line's features, relationships, and process steps may be disclosed in a single application. A small business does not have unlimited resources. The ability to claim all of the different inventions (whether they are claimed in a single application or in several simultaneously filed applications) is not normally a viable option for a small business. Conventionally, because of a lack of resources, only one application claiming one of the inventions is initially filed. Later, if resources permit, additional inventions are filed. Unlike the present environment, the proposed rule changes will prevent small businesses from obtaining patent protection on all of their inventions. Because large businesses are not influenced as much by this newly proposed burden, small businesses would be disadvantaged by the proposed rule changes.

#### The current rules already deter the filing of continuing applications

Current rules already devalue continuing applications. The Office ignores the fact that an applicant already has a disincentive against filing continuing applications due to the reduced life of a resulting patent (i.e., 20 years from first parent application's filing date). The proposed rule changes are not needed.

#### Continuing applications enhance the overall quality of patents

Continuing applications result in overall higher quality patents. From an examiner's viewpoint a continuing application is the easiest type of application to examine. The difficult work has already been done. The less time that is needed on one application results in more time available to spend on another (original) application.

I served as a USPTO examiner for almost 20 years. Subsequently, I have been a private patent practitioner for almost 7 years. The quantity of a granted patent directly correlates to the time given to examine the application.

The Office gives every examiner a fixed time to examine an application. Some examiners are given more time, whereas others are given less time. The examination time includes searching, reviewing references, drafting Office actions, etc. For every application in my assigned class of art, I was allocated an examining time (on a yearly average) of 14.7 hours per application. That is, on average each application before me had at most a total life span of 14.7 hours. If so instructed by the Office, I could have examined applications in 3 hours per application, but the quality of examination would have been sorely lacking. Common sense dictates the quality to time relationship.

It is my understanding of Office history that the hours per application assigned to the different classes were originally given based solely on favoritism (not a scientific study) in the late 1960's. When I was an examiner the originally assigned hours were still being used. As you can image, the allocation of hours caused (and probably still does) much dissension among examiners because technology changes. Some examiners were stuck with low hours to examine complicated technology, whereas other examiners were assigned large hours for very easy applications. The resultant high turnover rates still remain.

Regardless of Office history, with the Office's currently proposed decrease in

continuing applications (without a corresponding increase in examining hours per application), the quality of examination will likewise suffer.

#### The Office is not a true business

It has been said that the Office lives on patent maintenance fees. If true, then a worst case scenario is when the Office has to examine several applications to generate one patent. As a business, the Office would seek to reduce its costs per patent grant. Such appears to be the current situation (reducing continuing applications) with the proposed rule changes.

The mandate of the Office is not to operate as a business. It has no business competition. Nor does a successful business try to reduce customer orders for its only product (patents) instead of hiring more workers. The Office should not be concerned only with itself, but with the best interests of the American public (which includes applicants and examiners).

#### Further review is needed and other options should be explored

Further review and study of the proposed changes are needed at this time. The proposed changes are at best a patch to cover over larger underlying problems within the Office.

Other options should be considered, especially those that welcome continuing applications. Perhaps continuing applications need a higher filing fee than original applications. Maybe the true cost of examining each type of application needs to be analyzed and discussed. When the true cost should be paid (e.g., prior to patent grant) needs to be discussed. Whether the true cost should eliminate the need for (and any Office reliance on) maintenance fees needs to be discussed.

At the present time not all options have been fully considered. This is further reason for denying the proposed rule changes.

Sincerely,

Daniel Wasil