

June 29, 2011

Via Email: reexamimprovementcomments@uspto.gov

Attn: Kenneth M. Schor
Mail Stop Comments-Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Re: Proposed Streamlined Patent Reexamination Proceedings

Dear Mr. Schor:

I write on behalf of Abbott Laboratories in response to the PTO's Streamlined Patent Reexamination Proceedings ("Proposed Changes"), published at 76 F.R. 22854. While we agree with, and applaud, the PTO's efforts to focus on and resolve the long pendency period for reexaminations, we are concerned that some of the Proposed Changes do not advance that goal, as some of them increase the burdens on parties involved in the reexamination process without any likely reduction in pendency, and some may decrease the efficacy of the reexamination process. Additionally, a few of the Proposed Changes appear to exceed the PTO's statutory rule-making authority, and as such, should not be adopted.

Our comments on the Proposed Changes appear below. For the sake of clarity, the full sub-heading of each Proposed Change as it appeared in the Federal Register is included with each comment. Also included are comments responsive to the PTO's invitation to suggest other changes to assist in streamlining reexaminations (76 F.R. 22860) in Section I., below.

I. Global Comments on Possible Changes for Streamlining the Reexamination Process

Time Limitations for PTO Responses

Missing from the Proposed Changes is any reference to one of the significant reasons for the current lengthy pendency of reexaminations: the length of time it takes the PTO to respond to submissions by Patent Owners and/or Third Party Requesters. Providing the PTO with time limits by which it must respond throughout reexamination proceedings would significantly improve the pendency of reexaminations.

Interviews for Ex Parte Reexaminations

Telephonic or in-person interviews are often a way for Patent Owners to highlight relevant art, address examiners' concerns, and assist examiners confronted with numerous prior

art references. Allowing such interviews during *ex parte* reexaminations should assist in reducing pendency.

Standard for Finding an SNQ

The PTO's current interpretation of an SNQ has proven to be of little use in forestalling repeated and/or harassing use of the reexamination process. Changing the interpretation of a "substantial new question of patentability" such that a Requester has to meet a higher bar to put a patent into reexamination would help reduce pendency and assist in preventing harassing use of the reexamination process.

II. Proposals Regarding Formatting of Reexamination Requests

Requester Must Separately Explain How Each SNQ Presented in the Request Is "New" Relative to Other Examinations of the Patent Claims

The PTO should clarify this proposal. As it is currently written, it suggests that the change will require Requesters to set out in a separate section not just how the patent or printed publication is non-cumulative, but also how the SNQ is non-cumulative. If the art presented is non-cumulative, then it should follow that the SNQ is non-cumulative. Adding this new requirement for explanation will only increase the length of requests, and will add little information to assist in the process of the reexamination.

Requester Must Explain How the References Apply to Every Limitation of Every Claim for Which Reexamination Is Requested

To the extent this proposal requires that there be a separate section explaining how the references apply to every limitation of every claim for which reexamination is requested, the proposal should be adopted. To the extent the proposal bars any combinations of arguments, and forces Requesters to choose between a claim chart and narrative, the proposal should not be adopted. A rigid rule mandating complete separation of arguments, regardless of any possible overlap between arguments, will only increase length and repetitiveness of reexamination requests and will in no way streamline the process. Additionally, compelling Requesters to choose between a narrative argument and a claim chart presentation will not result in greater argument clarity, as narrative argument is often used to clarify and explain the content of a claim chart; while a claim chart is often used to present a shorter, crisper view of how the elements of different art align. The two tools work together, and barring one or the other will not streamline the process of reexamination.

III. Proposals Regarding "Cumulative" SNQs and Representative Rejections

Requester Must Explain How Multiple SNQs Raised in the Same Request Are Non-Cumulative of Each Other; Cumulative SNQs Will Be Deemed to Constitute a Single SNQ

This proposal should not be adopted. To the extent the PTO believes cumulative arguments by Requesters affect the pendency of reexaminations, that concern may be largely addressed by enforcing the rule against cumulative prior art references. In addition, it is unlikely that the proposal falls within the PTO's statutory authority. Once the Director determines that an SNQ exists, the PTO must order reexamination. *See* 35 U.S.C. § 304. Nothing in the statute

allows the PTO to pick among issues all determined to be SNQs and to grant reexamination solely on those limited issues.

The PTO's reliance on *In re: Katz Interactive Call Processing*, ___F.3d___, 2011 WL 607381 (Fed. Cir. Feb. 18, 2011) is inapposite. As an initial matter, the PTO's proposed rules contravene *Katz* because they state that an examiner's determination that SNQs are cumulative is not petitionable. In *Katz*, however, the Federal Circuit held that the district court's decision would be subject to review and reversal if the patentee tried to make a showing that additional claims raised unique issues with respect to infringement and validity. Moreover, the *Katz* decision turned on specific facts regarding 25 actions in multidistrict litigation against 165 defendants organized into 50 groups of related corporate defendants, and over 1,900 asserted claims from a family of patents. The Federal Circuit's decision to affirm the trial court's efforts to manage an extraordinarily complex trial does not support the PTO's effort to impose a uniform rule on all reexaminations.

The Examiner May Select One or More Representative Rejections From Among a Group of Adopted Rejections

This proposal should not be adopted. Not only might it limit Requesters' abilities to effectively present arguments, it does not ultimately seem to affect any "streamlining." The proposal's requirements on an Examiner to only choose "representative" rejections when he believes that the group of adopted rejections will "clearly fall" if the representative rejection is not sustained offers some protection to Requesters, as does the obligation of the Examiner to consider whether any rejection within the group overcomes a deficiency of the representative rejection in the event the Patent Owner prevails in its response to a FAOM. However, the proposal counsels Patent Owners to address all rejections in a group (not just the representative one), and states that in the event a Patent Owner appeals a representative rejection, appeal must be taken of all rejections of that claim. While these last two proposals are agreeable (in light of the overall proposal), they also seem to ensure that little time will be saved by this proposed change. Worse, the proposed change raises the possibility that Requesters will attempt to subvert it by filing multiple requests for reexaminations, each with different SNQs that would have otherwise been consolidated into a single request.

Given that the proposal could limit the rights of Requesters to raise and pursue arguments under allowed SNQs, and that it does not appear to result in any streamlining, the proposal should not be adopted. To the extent the proposal is simply to allow examiners to adopt a proposed rejection by incorporating the arguments set forth in the request, it should be adopted.

Third Party Requester May Dispute the Examiner's Designation That a Rejection is "Representative" of Other Rejections in the Group

As noted above, we do not believe that the PTO should adopt the proposal to allow examiners to select a "representative" rejection. As such, this proposal should not be adopted either. However, if the proposal to allow the examiner to select a "representative" rejection goes forward, this proposal should also be adopted, as it grants Third Party Requesters necessary rights to pursue their arguments through appeal. This is particularly necessary in light of the preclusive effects possible with *inter partes* reexaminations.

IV. Proposals Affecting Patent Owners' Ability to Amend and/or Present Evidence

Patent Owner's Amendments and Evidence Will be Mainly Limited to the First Action Response

This proposal should not be adopted. In response to a FAOM, Patent Owners generally present arguments and evidence which they believe are sufficient to overcome a rejection. However, to try to avoid unnecessary expense, Patent Owners may not put forth all available arguments and evidence. If an examiner agrees with a Patent Owner's arguments in a First Action Response, then time, effort and money have been saved. The PTO's proposal, however, would unnecessarily increase the length, complexity and costs of First Action Responses, and is counter to the goal of streamlining reexaminations.

Final Office Action Closes Prosecution and Triggers Appeal Rights

This proposal should not be adopted. Given that the Final Office Action may be issued after the Patent Owner's first response to the FAOM, this proposal suffers from the same flaws as the previous proposal.

Claim Amendments Will Not Be Entered Unless Accompanied by a Statement Explaining How the Proposed New Claim Language Renders the Claims Patentable in Light of an SNQ

This proposal should not be adopted. As an initial matter, adding a requirement that Patent Owners include more argument in their responses during a reexamination does little to streamline the reexamination process. Moreover, it is doubtful that the PTO has the statutory authority to refuse to enter claim amendments that a Patent Owner has stated are made in response to an office action and which do not broaden the scope of the claims. 35 U.S.C. § 305 contains the statutory requirements for amendments during reexaminations, and nothing in that statute, or the *Cordis* and *Freeman* decisions cited in the Proposed Changes, grants the PTO the authority to require these explanations, nor grants the PTO the right to refuse to enter an amendment that otherwise complies with the statutes.

V. Proposals Affecting Third Party Requester's Rights to Appeal in *Inter Partes* Reexaminations

Third Party Requester's Appellant Brief is Limited To Appealing An Examiner's Decision That a Claim is Patentable; Additional Bases To Cancel A Rejected Claim Can Only Be Argued in a Respondent Brief Following Patent Owner's Appellant Brief

This proposal should not be adopted. The predicate for this proposal is that "a final decision favorable to the patentability' under 35 U.S.C. § 315(b) (1) is one in which no rejection has been finally adopted against the claim." Under this interpretation of the statute, the PTO's non-adoption of a proposed rejection advanced by a Third Party Requester against a claim would not be "a final decision favorable to patentability" so long as the PTO adopted any other rejection of that claim. This does not comport with the clear language of the statute, and creates an unwarranted and impermissible burden on Requesters because a Third Party Requester will be estopped from raising any argument it raised (or could have raised) during an *inter partes*

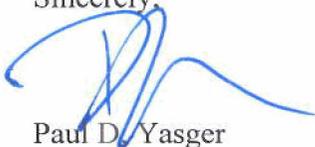
reexamination. *See* 35 U.S.C. § 315(c). Reading the Code as a whole, the intent of the statute is to allow Third Party Requesters the affirmative right to appeal denial of proposed grounds for rejection.

VI. Proposal Regarding Waiver of Patent Owner's Statement

Make Permanent the Pilot That Allows the Patent Owner to Optionally Waive the Patent Owner's Statement

This proposal should be adopted. The two-month waiting period adds to the pendency of *ex parte* reexaminations, and optionally allowing Patent Owners to waive this right would assist in streamlining the process.

Sincerely,



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