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Attn: Hiram Bernstein, Esq.

**BY E-MAIL**Re: Request for Comments on the Changes to Support Implementation of the United States Patent and Trademark Office 21<sup>st</sup> Century Strategic Plan

Dear Mr. Bernstein:

These comments are being submitted in response to the September 12, 2003, Request for Comments on the changes to support implementation of the U.S. Patent and Trademark Office 21<sup>st</sup> Century Strategic Plan. They are my personal comments, as a registered practitioner of over 20 years in a firm that handles over a thousand patent applications each year. While my comments may reflect the experiences of many of the firm's clients, these comments should not be construed to reflect the position of any particular client of the firm as to any particular case.

I approve of a number of the rule changes, and cannot disagree with a number of other changes. However, I am deeply concerned about the burdens and costs imposed by several aspects of the proposed rule changes. I will address the latter aspects of the proposed rule changes in the order of the rules themselves, and not necessarily in order of importance.

§1.4 Nature of Correspondence and Signature Requirements

The rule changes to the signature requirement appear only to create more hurdles for an applicant trying to comply with the Office's goal of "using information technology to simplify the patent application process." The specific proposed changes will deter applicants from filing papers using the electronic signature method. Given all the specific requirements and the penalties for not meeting them, many applicants and practitioners will just avoid the trouble and continue to sign their name as they do now, with a pen and with no concern for legibility.

The Office proposes requiring that the family name be presented in capital letters when the actual name is used in the signature. However, this requirement would result in inconsistent signatures. That is, if other documents in the application are hand-signed, the applicant would not have the family name hand-signed in capital letters. This would lead to an applicant having one signature for electronically signed documents and another for hand-signed documents.

The present requirement for signatures on paper documents are simple and streamlined - the signer must sign the paper personally and thereby subject himself or herself to Rule 10.18. The Office has no obligation, and apparently makes no effort, to determine whether the requirement has been met and imposes no format requirements on the signature. If the issue is brought up in the PTO or in litigation, the practitioner can be interrogated as necessary. There is no need for detailed, burdensome and easily inadvertently violated rules with draconian penalties in electronic filings. Such rules merely burden the applicant and the PTO.

Instead, the PTO should merely require that the applicant make clear that the document has been signed. For both paper and electronic filings, it would also be useful to require inclusion of a typed name and (in the case of a practitioner) registration number to provide a record that can be used in a subsequent investigation to decipher an illegible signature.

The Office should also adopt a standard with a less severe penalty. If an applicant or practitioner has "made his mark" with the intention of electronically signing a document, the penalty of treating failure to follow the proper format as an unsigned document does not promote the desire of the Office to have applicants change over from paper to electronic documents and increases the burden on both applicants and the PTO with no countervailing benefit.

#### §1.17 Patent Application and Reexamination Processing Fees

First, given the large increases for certain petitions, and the substantial dollar amounts involved, the Office should provide reduced fee for a small entity. For example, a petition falling in the first group will cost \$400. This cost is comparable to the small entity cost for filing an application. Clearly, the amount of work required for addressing a petition is not greater than the cost for examining an entire application.

Second, in view of the substantial amounts of the fees, the Office should require that they be refunded when a granted petition was required to correct an Office error.

Third, a petition under §1.138(c) should fall into the third category, rather than the second category. It does not involve any analysis of factual situations or evidentiary showings, merely prompt action by the Office.

#### §1.19 Document Supply Fees

The Office states that the proposed rule change clarifies how copies of IFW contents are to be charged since, absent a paper file wrapper, the current rules do not provide the public a way to obtain copies. However, there is no discussion of the basis for the dollar amount of the new costs for obtaining copies of IFW contents. Now that the Office is migrating to electronic storage, it will be much easier and quicker to access IFW contents electronically than it was with paper file wrappers. Therefore, the cost to the public for obtaining IFW contents should decrease given the reduction in cost and burden on the Office to provide them.

Also, because the Office is changing from paper file wrappers to their electronic image equivalent, and given the publication of applications, the IFW contents should be made available on the Office website once they become publicly available. This way, the public may reproduce documents without the requirements of any action on part of the Office. This will result in a reduced number of requests to the office resulting in a reduction of cost to the Office and a reduction in the number of personnel needed for processing such requests. Further, this will reduce the cost to an public and allow more expedited retrieval of documents.

#### §1.27 Small Entity Status

The proposed rule change is purported to clarify the rules for small business concerns regarding transfer of rights and the size standards of the small business administration. Such rules are not present in the GPO booklets of the patent rules, nor in the MPEP. Paragraph (a)(2)(ii) directs any questions regarding small business concerns to the Small Business Administration. The Office should draft its own rules regardless of the guidelines of the SBA, that a practitioner can readily find and a small business concern can readily follow, which would allow for a more clear understanding of the qualifications and standards required by the Office.

#### §1.52, §1.55, §1.57, §1.69, §1.78 Translations

As a basis for the proposed change, the Office cites to statements made by practitioners as to their beliefs as to the accuracy of the translations. However, the Office does not identify any problem with translations that has been experienced. If there are problems with the actual translations, that is a separate problem that will not be solved by this proposed change.

Practitioners and applicants rely on translators, who generally have no stake in the outcome of a patent application, to prepare translations. By allowing practitioners and applicants to sign an "information and belief" statement as to the accuracy of the translation, Rule 10.18 requires that they believe the translator is competent and qualified, subject to the potential penalties of violation of Rule 10.18. This is appropriate for the applicant and his or her representative. It is not appropriate for the translator, who is not affected by a Rule 10.18 penalty, and who would sign a statement reflective only of his own biased belief in his own competence. Thus, there is no need to change the translation signature rules.

The proposed change is especially burdensome in Rule 69. The PTO's Declaration forms are awkward and confusing, in English and in translation. Better forms have been prepared by outside firms for use in hundreds or thousands of patent applications. Requiring a translator signature on each of them is unduly burdensome.

Finally, if a rule change is made, it should accommodate signature by one who has made or reviewed a translation. Many translations are made by teams, and finalized by a reviewer. In other cases, the actual translator is unknown or no longer available (e.g. in the case of a Rule 69 form Declaration). If the Office's goal is correctness of the translation, it should make no

difference whether the translation is new or old, or by whom it is signed, as long as a person competent in both languages can certify its accuracy.

If such a rule is entered, it should be in a form that requires a translator verification, rather than a Rule 10.18 signature, for the reasons noted above. However, the Office is referred to the rulemaking eliminating verified translations only a few years ago.

Finally, the rule should indicate how machine translations, which are sometimes all that is available, are to be signed.

#### §1.55 Claim for Foreign Priority

The first filed application in a chain of applications should not be required to contain a claim for priority in compliance with §1.55 to a prior foreign (or provisional) application for a subsequent application to claim such benefit. The proposed requirement may improperly preclude applicants from claiming priority, or require them to make improper and misleading priority claims.

The propriety of a claim for priority depends on the substantive content of the application claims. Thus, for example, broad claims unsupported by the scope of an earlier foreign or provisional application may be included in a U.S. patent application. A priority claim should not be made in that application because the claims are not supported in the earlier document. As a result of examination, the applicant may, in a continuing application, file narrower claims that are supported in both the parent and foreign or provisional application. The applicant should not then be precluded from obtaining priority benefits for such claims.

Similarly, an applicant may file an application disclosing related inventions for which separate claims would be restrictable. To avoid increasingly expensive claim fees and restriction costs, the applicant may reserve one or more sets of claims for a divisional application. If priority could not properly be claimed for the claims of the parent, but could properly be claimed for the claims of the divisional, the applicant should be entitled to first present the claim for priority in the divisional application.

Furthermore, any distinction between foreign priority and U.S. provisional priority in this regard would be clearly unfair, would not reflect the stated basis for the proposed change, and would likely violate international accords.

#### §1.57 Incorporation by Reference

The proposed changes would provide that a claim for priority under § 1.55 or § 1.78 would allow for all or a portion of the specification or drawings of a priority document to be incorporated by reference, but only when its substance is inadvertently omitted from an application. The rule change should allow for such incorporation by reference of any material omitted, inadvertent or otherwise. There is no reason to discriminate between types of omissions.

If the material is incorporated by reference, it is a part of the current application and should be allowed to be added to the application. This would avoid unnecessary litigation over characterization of an omission as "inadvertent" and still satisfy the goals of the proposed rule. To clarify the scope of the patent, however the incorporation should be required to be perfected before issuance.

According to the proposed rule change, if the omitted portion of the specification or drawing is "completely contained" in the prior-filed application, then the claim for priority would be considered an incorporation by reference of the prior filed application. The Office requires that the material added must be expressly (not implicitly) disclosed in the prior application. However, this requirement is inappropriate. It is well settled that requirements under 35 U.S.C. §112 are satisfied by explicit and implicit disclosure in an application. All of the implicit disclosure of the prior-filed application would be supported in that application. However, for a subsequent application claiming priority to the prior-filed application, and attempting to incorporate omitted material relating to the implicit disclosure, that incorporated material would not be supported according to the proposed rule change. Such inconsistent treatment of §112 issues can only lead to confusion, inequity, and added burden to the Office and applicants.

Therefore, the proposed rule should allow for explicit and implicit material to be added to the application claiming priority to the prior-filed application, if it is to be adopted.

Finally, the "bright line" language test should not control; the rule should allow recognition of an incorporation by reference when there is a clear indication of an intent to incorporate by reference. The Supreme Court's Festo opinion reflects the injustice of bright line tests that do not reflect the realities of the circumstances. Instead, use of the phrase "incorporated by reference" should merely be noted as a sure way to ensure interpretation of the applicant's intent.

#### §1.76 Application Data Sheet

The proposed changes relating to the format for showing changes in an application data sheet should be consistent with the format requirements for amendments to avoid confusion and inadvertent errors, and thus added burden to applicants and the Office.

#### §1.83(a) Redundancy

Many applications are presented for filing with sequences and/or tables in the drawings. The rules require that they be added to the specification. Applicants should not be forced to bear the additional burden of revising their drawings, often at substantial costs, just to eliminate the resulting redundancy of information.

### §1.94 Models or Exhibits

The proposed rule should be clarified as to what models, exhibits or specimens are subject to the rule. For example, items used in interviews should not be subject to the rule. Only if such items are part of an application should they have to be retained for the enforceable life of the patent, and even then not if they can be (and are) adequately replaced by paper or electronic equivalents.

### §1.98 Information Disclosure Statement

The Office should eliminate now the requirement in §1.98(a)(2) for a copy of U.S. patents or U.S. patent application publications listed in an IDS. There is no basis for elimination of that requirement only for applications filed after an arbitrary date of June 30, 2003. U.S. patents and patent application publications can easily be obtained by the Examiners from their computers at their desks. Eliminating the requirement now will immediately relieve the Office and practitioners of the time, expense and burden of handling paper copies of U.S. patents and patent application publications submitted in an IDS.

### §1.105 Requirements for Information

I am deeply concerned with the burdens and complexities imposed by the proposed rule change. The proposed change to Rule 105 is the most egregious attempt by the Office to shift the burden of examination from the Examiner to the applicant, in the process creating huge costs, risks and prejudice to the applicant, and exceeding the authority granted to the Office by statute. For at least the reasons set forth below, the proposed changes should not be adopted in any form.

1) First, if an Examiner cannot comprehend the technology in the application or the knowledge of one of ordinary skill in the relevant art, the Examiner either should not be examining the application or should reject its claims and/or object to its specification under §112. As a response to such a rejection, an applicant can direct the Examiner's attention to teachings in the disclosure of the application or in the prior art, clarifying issues for the Examiner. Alternatively, the specification and/or claims can be amended if the applicant agrees that the Examiner's confusion is caused by the application. If the Examiner does not believe that the disclosure is adequate to teach the claimed invention, there are appropriate rejections for this.

2) The proposed rule change provides an Examiner with the unrestricted ability to request information, in the form of document requests, interrogatories and requests for admissions (stipulations), from applicants about various matters perhaps, but not exclusively, dealing with the state of the art. Interrogatories can be very delicate, complex and potentially dangerous weapons used in the legal profession. No small amount of skill is required to craft efficient productive interrogatories to elicit a desired response. In other legal contexts, they must be signed by attorneys at law, which would not include most examiners. Preparing interrogatories directed to an issue in question, which will elicit responses addressing the specific issue of the interrogatories, takes years of legal training.

Now, the Office is proposing to hand this responsibility to Examiners, most of whom are non-lawyers, with the naïve expectation that they will be able to appropriately and effectively utilize the interrogatories to solicit the information they are seeking. The requisite skill and training are not possessed by Examiners, and should not be required of them. Interrogatories, document requests and requests for admission should only be propounded with review and signature by an attorney in the Office of the Solicitor.

3) The proposed change extends well beyond the authority set forth in 35 U.S.C. §§ 131 and 132. The Examiner is authorized to examine the application and invention. There is no power given to the Examiner to engage in discovery from applicants.

4) The proposed rule is overly broad in not limiting the amount of discovery by Examiners. Discovery is very burdensome in small amounts, and can be overwhelming in large amounts. Even courts have strictly limited the numbers of such discovery requests in view of huge burdens and delays they impose, and provide magistrates and judges to resolve disputes over the scope of discovery.

5) Assuming an Examiner is able to create adequate interrogatories, the Examiner may still not receive the information requested, and thus, the Examiner's time would be wasted. For example, frequently inventors are no longer employed with the corporate assignee prosecuting the application. As such, many times there might not be an ability to acquire the requested information. In this situation, the Examiner has spent a significant amount of time preparing the interrogatories with no result. Valuable time has now been lost which could have been spent examining the application. An Examiner is already under great time constraints to produce an Office Action. Now, having the additional avenue to burn examining time with interrogatories will only detract from the quality of the prior art search and the quality of the subsequent Office Action, resulting in more non-final Office Actions. Allowing this form of questioning will detract from the goal of the Office of expedited and compact prosecution.

6) Inventors, corporations, law firms, and attorneys would be severely burdened by the need to expend large amounts of time, money, and resources to respond to discovery from Examiners as proposed by the rule change. Even when the technical answers are formulated, the answers to interrogatories will have to be reviewed by an attorney to determine, at a minimum, if the answer will create estoppels or eliminate equivalents due to language used in the answers to the interrogatories. The review process alone could take an enormous amount of time and money given even only a few unrestricted interrogatories. The burden created on all entities would be undue. Money and time constraints would likely cause some to forgo a review by an attorney. This action could be devastating to a patent application or the resulting patent even before examination has begun. Just as a strong patent portfolio is essential to small and large companies with respect to funding and research, a portfolio with unenforceable patents due to estoppels created during prosecution could easily cripple those same companies.

7) The proposed rule changes do not allow for an applicant to refuse to answer an interrogatory for any reason. The Examiner will be allowed to ask any question to "clarify the record" but the applicant is not given a chance to refuse for reasons such as lack of understanding of the question, ambiguity of the question resulting in an inability to provide a meaningful response, etc. If an applicant does not understand what the Examiner is asking, will a lack of response to the question be considered non-responsive? As noted above, courts provide magistrates and judges to resolve such discovery disputes. Will the Office do so too?

8) If responses to interrogatories are submitted, the effect on subsequent litigation would be tremendous. As discussed above, the cost to prepare and submit the answers to the interrogatories would be great. However, that cost would pale in comparison to how much extra time and expense would have to be expended in litigation resolving the issues that arise from the answers to the interrogatories. For example, just a slight change in expression between a word used in the specification and one used in an interrogatory response could very easily result in an issue to be litigated. This would further complicate any litigation and create more financial burdens to protect an applicant's patent.

One example is the Office's own example of "the knowledge of those of ordinary skill in the art." In litigation, adversarial parties retain experts in the art and spend tens of thousands of dollars to establish "the knowledge of one of ordinary skill in the art." This is a highly subjective issue that has to be analyzed in context. To require patent applicants and assignees to opine on this subject would result in unreliable answers and/or the expenditure of huge amount of resources to develop answers that are out of context regarding how the responses will be used to support allegations of inequitable conduct and prosecution history estoppel. The risks and burdens on applicants created by such "discovery" techniques will create an adversarial climate that will slow the examination system, multiply the filings in patent applications, and reduce the ultimate enforceability of patents.

9) Examiners are actually in a better position than most applicants to have access to the type of information described in the comments with the proposed rulemaking. For example, most applicants are familiar with their own invention and the results of their own research, which may or may not include literature research. Examiners, on the other hand, are exposed to the results of the research of thousands of people in the art through the patent collections that they search on a daily basis. Thus their own understanding of the scope and content of the art, and the level of skill in the art reflected thereby, may be better than that which could be provided by an interrogatory response from a single applicant, and would be far less burdensome than the research or retention of experts that would be needed by an individual applicant to respond competently to such an interrogatory.

10) Corporations that are assignees of patent applications would be extremely burdened by being required to answer interrogatories of the type described in the proposed rulemaking. Corporations often have dozens or even hundreds of researchers working in the technical area of a particular patent application, and even more in related areas. How far would such a corporation have to go to satisfy its duty in answering interrogatories and determining what one

of ordinary skill in the art would know? Would a corporation be held accountable if the best researcher was not located to answer a question? Additionally, researchers within a single corporate assignee are often located in many different offices throughout the country, if not throughout the world. Even if the key researchers were located and made available to answer questions, it would be financially irresponsible, at best, to gather the information, analyze all of the responses technically, analyze the responses legally, and file a response in most routine patent applications.

For at least the reasons set forth above, inventors, corporations, and attorneys would be severely burdened by the proposed rule change, while the Examiners have the ability to solicit necessary information about the application utilizing current methods provided to them.

#### §1.111 Supplemental Reply

The proposed changes to entry of supplemental replies are not necessary, nor are they fair. There are many reasons why a supplemental reply might be filed which are not necessarily related to canceling of claims, adoption of Examiner's suggestions or placing the application in condition for allowance. For example, if an interview is conducted with the Examiner after filing a response to a non-final Office Action (as required by many examiners), a supplemental amendment is sometimes necessary to clarify the record, the applicant's position with respect to the claims and the teachings of the prior art, or to reduce the issues for appeal. Sometimes supplemental amendments are necessary so that claims can be clarified to eliminate a particular issue discussed at the interview and to allow an Examiner to conduct an updated search. The Examiner's updated search can now be more specifically tailored to any outstanding issues.

The proposed rule change to not allow entry of supplemental amendments except for the listed reasons merely prolongs the examination process. This proposed rule change appears to be merely a revenue-generating measure to charge applicants a \$1,000 surcharge in the form of a Request for Continued Examination or continuing application. That is, if a supplemental reply is not entered, an applicant will be required to file an RCE or continuing application even for the most minor follow-up changes that could clarify issues and expedite prosecution.

If a response to a non-final Office Action is insufficient, the applicant would be required to file a §1.53(b) continuation application because an RCE is not appropriate at that time. Alternatively, the applicant would have to wait for the Office to waste its time issuing a Final Rejection on claims the applicant no longer wants, in order to permit the filing of an RCE. The cost and time requirements to the applicant and the Office are overly burdensome and are not commensurate with the burden on the Office for processing a supplemental reply.

Reducing pendency is more readily achieved by allowing a supplemental reply to reduce or eliminate issues. Practitioners are not filing supplemental replies in applications without good reason. The supplemental replies could potentially create estoppels and are not taken lightly. The Office is not burdened by addressing supplemental replies in only 5.6% of applications. Instead, the Office has 5.6% of the applications with fewer outstanding issues.

The Office also proposes to tie the entry of a supplemental reply to the expiration of the statutory period for response. A supplemental reply submitted before the expiration may be entered, while a supplemental reply submitted after the expiration would not even be evaluated for entry. In reality, there is no connection between the statutory period for response and any delay in examination -- the Examiner does not pick up any case faster just because a response is filed at the end of a statutory period for response. The real issue of delay does not arise until an Examiner starts reviewing the previous reply. If the Examiner has not yet begun his review, then there is no basis for distinguishing among supplemental replies based on whether the statutory period has expired.

Therefore, if changes are implemented, a standard for entry and consideration of a supplemental reply similar to the standard set forth in § 1.111(a)(2) would be more fair, less burdensome, and would reflect the realities of the effects of supplemental replies on the course of examination. That is, a supplemental reply should be disapproved only if the supplemental reply unduly interferes with an Office action being prepared by the Examiner in response to the previous reply.

#### §1.324 Correction of inventorship

The rule change is purported to clarify that the inventorship of a patent may be changed only by way of request from all of the inventors together with assignees of the entire interest. However, Rules §1.42, §1.43, §1.46 and §1.47 allow for the situation when an inventor's signature is not available. The proposed change should be tailored to be more consistent and allow for such a situation as discussed with respect to the above rules.

#### §1.704(d) IDS

Both the present and the proposed rule are burdensome, confusing and inconsistent. An applicant should be allowed to cite an item within three months of mailing of a first communication from a foreign patent Office in a counterpart application citing the item. Changing the requirement of §1.704(d) from thirty days to three months would be consistent with the rules set forth in §1.97 and §1.98 for an IDS, would avoid confusion among the rules, and would accommodate the realities of transmission of references between various attorneys and applicant in different countries.

#### §1.705 Patent term adjustment

The commentary exposes a serious inequity in Rule §704(c)(10). Rule §704(c)(10) as explained would allow for a reduction of any patent term adjustment for submission of papers such as a request for refund and a status letter. There is no basis for such a reduction in term adjustment in situations where the penalty for the actions does not match any burden on the Office, or the error or delay is the fault of the Office.

For example, if the Office overcharges an applicant's deposit account, and the applicant rightfully asks for his or her money back, the Office proposes to penalize the applicant by way of a reduction of the patent term adjustment. The effect is an unconstitutional taking of applicants' money by the Office, with a penalty for requesting due process.

Similarly, if the Office has not responded to a submission (such as payment of the Issue Fee) within a reasonable amount of time, and if an applicant inquires as to the status, a reduction could occur. Such a status inquiry is to the benefit of the applicant, the Office and the public, because it can alert the Office to the loss of the file within the Office. Failing to file such a paper can result in the Office creating numerous submarine patents with huge term extensions, as the Office now loses hundreds or thousands of files per year. Perhaps a better rule as to status inquiries is that they will affect patent term adjustments only if filed less than four months after payment of the Issue Fee.

Respectfully submitted,

/William P. BERRIDGE/

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