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November 27, 1996

Box Comments - Patents
Assistant Commissioner for Patents
Washington, D.C. 20231
Attn: Mr. Jeffery V. Nase

Dear Mr. Nase:

This letter relates to proposed rule change by the Patent Office and some I want to suggest.

During the meeting at the AIPLA Meeting of October 24-26, 1996, I suggested a modified letter of transmittal which is submitted herewith for your consideration.

What this form will do is eliminate declarations by inventors, small entity forms and assignments. As I observe my own practice, that will be about six pages of forms with every patent application.

This suggested change will inherently require some rule changes, but it will have the beneficial effect of reducing the costs of patent applications to applicants because the attorney will not be required to trace down all of the inventors in a very limited period of time to get their signatures on a plurality of documents which are mostly a matter of form and not of substance. I think particularly of a patent application I filed two or three years ago when four inventors were located in Columbus, Ohio; Honolulu, Hawaii; Mainland, China; and Savannah, Georgia. In addition, there was a small entity form which had to be signed by the assignee which is a university.

The suggestion of this proposal is to shift the burden to the representative of the inventors to review the facts and determine the inventive entities; to review the facts and determine whether or not the applicant-assignee is or is not a small entity; and investigate the facts to determine whether the invention is assigned to some legal entity other than the inventors. In actual practice, that burden is already on the representative, just as it is with respect to all the allegations in the oath or declaration.

If you want to retain the inventor's oath or declaration a

single sentence could be added stating that the application as filed is entitled to small entity status. The existence of an assignee could also be an averment in the oath or declaration.

It should be noted that filing in foreign countries does not generally require the burden placed on U.S. applicants to get all of these forms. No doubt someone will make the argument that requiring the inventor to go through the exercise of reading the presently required declaration will deter dishonest filings or improper filings. It is suggested that applicants in Europe don't have to do that, does that mean that applicants in Europe are more honest than U.S. applicants?

It should be noted that in many foreign countries there is no need for a formally executed document to tell the foreign patent office that the invention is assigned to some corporation, partnership, etc. All that is required is for the attorney of record representing the applicant to sign the document. That is what is being suggested here.

Let us eliminate all of those pages of forms. We can shift the burden to the attorney or other responsible party who is filing the application. Let the patent office focus on substance instead of form by making a determination of what is patentable in a patent application and working with the indicated party responsible to structure claims to protect the invention.

This suggestion is being forwarded on behalf of this firm only because there is inadequate time for it to be considered at a meeting of our local association.

We also oppose the suggested requirement for continuing legal education to be administered by the patent and trademark office and the fifty dollar per year fee. We acknowledge the problem stated by the lady who is in charge of the Office of Enrollments and Discipline who attended the Relations With the Patent Office Committee who stated that the primary problem with improper prosecution of patent applications comes from small law firms in rural communities. Assuming she is totally accurate, it seems to be an unreasonable burden to place on the whole profession when the problem is not wide spread.

It was suggested that the fifty dollar per year fee to be charged to each registered patent attorney and agent would go to the Office of Enrollments and Discipline for administering the program. It was raised at the meeting and suggested that fees to the Patent and Trademark Office are not so restricted. Fifty-six million dollars was paid to the patent office in fiscal year 1996 in excess of actual costs which was removed to the general fund. It is our position that if the patent office wants additional fees

for investigation and discipline of inadequate practitioners of our profession, we will support that before Congress, but we feel the fees should come from the overpayments already being appropriated by the Congress. We further note that many of us in the profession have continuing legal education reporting requirements to more than one state; yours would be another reporting burden.

There was some discussion of the difficulty of having continuing legal education for patent agents. There is no current state ability to certify continuing legal education for patent agents. Current rules are limited to attorneys in good standing before the highest court of the individual states. We can see the problem and agree with the suggestion made at the committee meeting for the Patent and Trademark Office to run a school where agents could get their required continuing "patent legal education", but why would attorneys have to pay for that school run for agents? Let those who need the service pay for the service.

We agree with most of the suggested changes which were published in the Official Gazette of October 22, 1996, and make no comments on them. Many of them are directed to our concern which is that there are too many formal matters recited in the rules which have very little or nothing to do with the substance of individual patent applications. Many of the things in the suggested rule changes eliminate what we perceive as unnecessary procedural limitations and we agree with the changes.

The proposed amendments to the rule §§ 1.112-1.116 should be reconsidered by the office from the standpoint of "How do these suggested rule changes help inventors?" It seems to us that the proposed changes serve only as a revenue generator for the Patent and Trademark Office and this seems to be unnecessary in view of the 56 million dollar overpayment by inventors to the Patent and Trademark Office in fiscal year 1996.

Please reconsider these proposed rule changes to facilitate a consideration of the substance of amendments by examiners which are filed after final to identify allowable subject matter and get patents issued without some poor inventor having to pay another fee to get the examiner to look at the substance of the proposal. The object of the rules should not serve as a generator of revenues for the federal government at large and that is what the proposed rule changes in these sections will produce.

During the course of the committee meeting there were a number of things mentioned which would be of help to inventors and their legal representatives which would not create an unnecessary burden on the Patent and Trademark Office, but would often reduce costs to the applicant. They are as follows:

1. Eliminate the three month shortened statutory period for response. The reason for the three month shortened statutory period was to reduce the time between filing and issue so that the prosecution could not be delayed by the applicant. Now there is no benefit to the applicant to delay the issue of the patent because it runs for twenty years from the filing date and delaying the time of issue cannot benefit the applicant. Therefore, it would be in the best interest of the applicant for the patent office to let the applicant control the prosecution rather than the examiner. Eliminating the shortened statutory period would eliminate extension fees that are sometimes required by late filing of amendments. This rule change will reduce costs to inventors which should be a goal of the Patent Office.

2. Change the rules on final rejections to require that the examiner not be permitted to give a final rejection where (1) art is cited in a rejection which was not previously applied to the claim or (2) where a 35 U.S.C. § 112 rejection is given, where that specific 112 rejection occurred as a result of an amendment filed just previous to the final, unless the examiner allows it to be corrected as a matter of right after final rejection. The purpose of this change is to allow a meeting of the minds on the issues raised by the examiner prior to the time prosecution is cut off by a final rejection. This rule change should reduce the appeals backlog and will dramatically reduce the continuation application filing fees required by the present system of premature final rejections.

3. Future rule changes and changes to the manual of patent examining procedure should be prefaced with a statement by the proposer as to how the proposed changes will help the inventor and or reduce costs to the inventor. Rule changes should not be suggested or implemented where the result is to favor infringers. The constitutional mandate is "to promote the progress of science in the useful arts..." Rule changes which assist infringers cannot promote the progress of science or the useful arts.

Sincerely,

Sidney W. Millard

Sidney W. Millard

SWM:lrw
Enclosure

PATENT APPLICATION TRANSMITTAL LETTER	ATTORNEY DOCKET NO.

To the Commissioner of Patents and Trademarks:

Transmitted herewith for filing is the patent application of (names and home address):

entitled_____

Enclosed are:

_____ __ sheet of drawings.
_____ this invention is assigned to (name and address):_____
_____ a certified copy of a _____application.
_____ information disclosure statement and Form PTO 1449.
_____ other:_____.

The applicant(s) ___ is, ___ is not a small entity.

CLAIMS AS FILED

	Number Filed	Number Extra	Rate	Fee
BASIC FEE			$ 770.00	$ 770.00
TOTAL CLAIMS	-20 =	* -0-	X 22.00	.00
INDEPENDENT CLAIMS	-3 =	* -0-	X 80.00	.00
MULTIPLE DEPENDENT CLAIM PRESENT			+ 260.00	.00
*Number extra must be zero or larger			TOTAL	$ .00
If applicant has small entity status under 37 CFR 1.9 and 1.27, then divide total fee by 2, and enter amount here.			SMALL ENTITY TOTAL	$ 385.00

Assignment recordation fee $ .00
Total amount due $ .00

_____ A check in the amount of $_____ to cover the filing and any Assignment fees is enclosed.
_____ The Commissioner is hereby authorized to charge and credit Deposit Account No. _____as required. I have enclosed a duplicate copy of this sheet.

All communications regarding this application should be sent to the undersigned who certifies that the above is true to the best of (his) her knowledge and belief.

_____ Date of Signature

_____ Signature