

-----Original Message-----

From: Greg Gardella

Sent: Wednesday, September 06, 2006 10:10 PM

To: AB95 Comments

Cc: chairs; Catherine Klima

Subject: MIPLA COMMENTS ON PROPOSED IDS RULES

Please see the attached comments submitted on behalf of the Minnesota Intellectual Property Law Association. The attached comments relate to the Notice of Proposed Rulemaking entitled "Changes to Information Disclosure Statement Requirements and Other Related Matters," 71 Fed. Reg. 131 (July 10, 2006).

Kindly confirm receipt of these comments by responsive email.

~ Greg Gardella

Via Electronic Mail: AB95.comments@uspto.gov
Confirmation by Facsimile: (571) 273-7707

Honorable Jon W. Dudas
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
Mail Stop Comments—Patents
PO Box 1450
Alexandria, VA 22313-1450

Attn: Hiram H. Bernstein, Senior Legal Advisor
Office of Patent Legal Administration
Office of the Deputy Commissioner for Patent Examination Policy

Robert J. Spar, Director
Office of Patent Legal Administration
Office of the Deputy Commissioner for Patent Examination Policy

Re: Comments on Notice of Proposed Rulemaking entitled “Changes to Information Disclosure Statement Requirements and Other Related Matters,” 71 Fed. Reg. 131 (July 10, 2006)

Dear Under Secretary Dudas, Mr. Bernstein, and Mr. Spar:

The Minnesota Intellectual Property Law Association (MIPLA) is grateful for the opportunity to comment on the Notice of Proposed Rulemaking entitled “Changes to Information Disclosure Statement Requirements and Other Related Matters” (the Proposed IDS Rules).

MIPLA is an independent organization affiliated with the Minnesota State Bar Association (MSBA). MIPLA has nearly 700 members representing all aspects of private and corporate intellectual property practice, as well as the academic community. MIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent law before the United States Patent and Trademark Office.

General Comments

The Proposed IDS Rules create substantial incentives for applicants to remain purposefully uninformed of the prior art and thus are likely to degrade, not enhance, the quality of patent examination. While we understand and empathize with the goal of the PTO to improve the quality of patent examination by shifting to applicants where appropriate certain duties associated with the examination of patent applications, care should be taken to avoid incentivizing applicant behavior that prevents the PTO from achieving that goal. The enlarged disclosure duties outlined by the Proposed IDS Rules encourage applicants to avoid educating themselves regarding the prior art, as by conducting pre-filing patentability studies. In particular, applicants will readily

understand that if they perform patentability studies they will be much more likely to find more than 20 references or references of more than 25 pages that require consideration, which in turn may trigger the duty to provide Identifications, Correlations, and Non-cumulative Descriptions for a significant number of references. The PTO's other proposed rules concerning Examination Support Documents (ESDs)¹ substantially amplify this incentive. The net effect of the Proposed IDS Rules and proposed rules concerning ESDs is that applicants who conduct pre-filing searches are likely to find it necessary to provide Identifications, Correlations, Non-cumulative Descriptions, and ESDs for a substantially greater number of references. Accordingly, we respectfully submit that the Proposed IDS Rules are likely to cause many applicants to avoid pre-filing patentability investigations or otherwise inquiring as to the state of the art, which will result in substantially fewer relevant references being disclosed to the PTO. The PTO should withdraw the Proposed IDS Rules in favor of a revised set of rules that shifts a less burdensome set of duties onto applicants.

Specific Comments

- 1) The Proposed IDS Rules Should Be Applied Only to New Applications Filed after the Effective Date of the Rules

Application of the Proposed IDS Rules to all applications pending as of the Effective Date of the rules would impose significant additional disclosure requirements without notice sufficient for applicants to have taken steps to mitigate the potentially prejudicial and burdensome effect of the Proposed IDS Rules. In particular, where applicants have submitted before the effective date more than 20 references or references longer than 25 pages in connection with a pending application, the Proposed IDS Rules would trigger the additional duties to provide an Explanation, Non-cumulative Description and/or Patentability Justification even though the references were submitted long before the Office even proposed the new rules. Each of the foregoing disclosure duties is not only costly to discharge but potentially prejudicial given the likelihood that the Explanations, Non-cumulative Descriptions and Patentability Justifications will fuel charges of inequitable conduct where, with the benefit of focused hindsight, a litigant believes that an applicant should have characterized or described a reference differently.

While the comments in the Notice of Proposed Rulemaking suggest that an applicant could "withdraw" an IDS already on file in an existing case for purposes of attempting to comply with the proposed limits on cited references (71 Fed. Reg. No. 131 at page 38813, col. 3), there are no provisions in the existing Rules or in the Proposed IDS Rules that provide for such a request. This omission creates a procedural vacuum which in turn causes substantial uncertainty as to what effect, exactly, a request to withdraw a reference would have. Substantial ambiguities include whether references may be "withdrawn" after they have already been considered by the examiner, whether pending the Office's decision on a request to withdraw references an applicant's disclosure duties could

¹ See proposed Rule 261 in the Notice of Proposed Rulemaking Entitled "Changes To Practice for the Examination of Claims in Patent Applications," 71 Fed. Reg. 61 (January 3, 2006).

change due to an intervening Office Action or Notice of Allowance, and whether a request to withdraw a references could form the basis of a charge of inequitable conduct before the Office.

Moreover, attempting to apply the new rules to pending applications will divert substantial PTO resources away from other quality enhancing initiatives. For each pending application PTO personnel would have to review the references submitted and determine whether one or more of the disclosure duties has been triggered, an effort that is likely to require hundreds of thousands of personnel hours. The public is better served by focusing the PTO's limited resources elsewhere, in particular on the recruiting and training of talented examiners.

Accordingly, it is submitted that the Proposed IDS Rules should be amended to provide that the disclosure requirements of Proposed Rule 98(a)(3) apply only to new applications filed after the effective date of the rules.

- 2) Alternatively, the PTO Should Apply the Proposed IDS Rules only to Information Disclosure Statements Filed After the Effective Date or to Applications in which No Office Action on the Merits Has Been Issued as of the Effective Date

If the PTO declines to adopt the foregoing suggestion to apply the Proposed IDS Rules only to new applications filed after the effective date of the rules, the PTO should consider one of the following intermediate measures. First, the Proposed IDS rules could be applied to only those IDSs filed after the effective date of the rules. This proposal would substantially mitigate the aforementioned burden on applicants while circumventing the expenditure of limited PTO resources on enforcement of the Proposed IDS Rules to previously filed IDSs.

As a second alternative, the PTO could apply the Proposed IDS Rules to only those applications in which no office action on the merits has been issued as of the effective date. This would mitigate the burden on applicants who have already received an office action and need to submit additional references in connection with claim amendments. Where such applicants have already submitted 20 references they will be unfairly burdened with the additional duty of preparing Explanations and Non-cumulative Descriptions for all cited references. Conversely, where an applicant has not received an office action as of the effective date, only an Explanation for each such reference would be required. Accordingly, as a second but less desirable alternative the PTO could apply the Proposed Rules to only those applications in which no office action on the merits has been issued as of the effective date.

3) Filing a Continuation Application for the Purpose of Submitting References in Compliance with the Rules Should Presumptively Qualify as Good And Sufficient Cause for Filing a Second or Further Continuation

Especially if the Proposed IDS Rules are applied to all applications pending as of the effective date of the rules, the Proposed Continuation Rules² should be amended to provide that filing of a continuation application for the purpose of complying with the Proposed IDS Rules should not be counted against any limit imposed by the Office on the number of continuation applications that may be filed by an applicant. Where applicants cannot proffer a patentability justification for newly discovered art (e.g., the art anticipates some or all pending claims), the Proposed IDS Rules leave applicants no choice but to file a continuation application to submit the reference. Filing a continuation application to submit prior art references should thus be considered a sufficient showing that the “arguments, evidence or amendments could not have been submitted during the prosecution of the prior filed application” under Proposed Rule 1.78(d)(1)(iv).³ The Proposed Continuation Rules should be amended accordingly.

This issue highlights the need for the PTO to clarify when filing a continuation application meets the “could not have been presented earlier” test set forth in Proposed Rule 1.78(d)(1)(iv). In particular, the PTO should provide examples of circumstances which would ordinarily satisfy the test together with contrasting examples of circumstances which would not be expected to satisfy the test. Additionally, the PTO could provide factors which will be considered in determining whether an applicant has made the showing required by Proposed Rule 1.78(d)(1)(iv).

4) To Eliminate the Incentive for Examiners to Avoid Considering References by Arbitrarily Deeming Them “Cumulative,” the Proposed IDS Rules Should Be Amended to Provide that Examiner Must Consider All References Where No More than 20 References are Submitted

Proposed Rules 97(i)(1), 98(a)(3)(vii)(C) and 98(c) provide Examiners an incentive to arbitrarily deem references “cumulative” and thereby avoid having to consider them. Such a cumulateness finding by the Examiner under Proposed Rule 98(c) made in connection with an office action would force the applicant to provide both an Explanation and a Non-cumulative Description because the IDS would be resubmitted after a first action on the merits (a reality which is acknowledged in the Notice’s comments on Proposed Rule 98(c)). This, in turn, would give the applicant a strong incentive to submit fewer references in order to control the costs associated with preparing the required Explanations, Non-cumulateness Descriptions and/or Patentability Justifications. Examiners will presumably understand that aggressive application of the cumulateness provision of Rule 98(c) will lessen their workload by i) forcing applicants to provide Explanations, etc. where such disclosures would not be otherwise required, and

² Notice of Proposed Rulemaking Entitled “Changes To Practice for Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims,” 71 Fed. Reg. 48, January 3, 2006.

³ Id.

ii) discouraging applicants from citing the full 20 references ostensibly permitted by the Proposed IDS Rules. It is respectfully submitted that incentivizing examiners to behave in this manner will impair the quality of patent examination. Accordingly, Proposed Rule 98(c) should be amended to provide that an examiner may not refuse to consider as cumulative any references where a total of 20 or fewer references have been submitted.

Furthermore, the PTO should clarify the standard for cumulateness that is to be applied in connection with Proposed Rule 98(c). The Proposed IDS Rules provide that noncumulateness may be shown, for example, by identifying a “feature, showing or teaching that is not found in any other document of record.”⁴ While this provides some context, several ambiguities remain. For instance, it is unclear whether existing case law concerning cumulateness in the context of inequitable conduct will govern the determination of cumulateness under Proposed Rule 98(c). Similarly, it is unclear whether the discussion of cumulateness in MPEP 609.04(a) is intended to apply to cumulateness under Proposed Rule 98(c).

5) The Page Limit of Proposed Rule 98(a)(3)(B) Should be Removed

We further note that the 25 page limit (see Proposed Rule 98(a)(3)(B)) may impose an unwarranted and substantial burden on a relatively large number of applicants. The Office proffers as a justification for the Proposed Rules the statistic that in 85% of applications allowed in a six-week period the majority of applicants submitted fewer than 20 references. However, the PTO has furnished no statistics concerning the fraction of applicants that submit references having more than 25 pages. In many technical areas references are often longer than 25 pages. Perhaps a majority of applicants will be required to provide Identifications, Correlations, and Non-cumulative Descriptions for at least several submitted references. Especially when viewed through the prism of the incentives created by the Proposed IDS Rules (in particular, the incentive to remain uninformed of the prior art so as to avoid the substantial disclosure duties), we submit that Proposed Rule 98(a)(3)(B) should be amended to remove the trigger based on reference page counts.

6) Transitional Issues Concerning Information Disclosure Statements that Are Already on File as of the Effective Date

If the Office decides notwithstanding the foregoing to promulgate the Proposed IDS Rules in substantially unamended form, two measures should be adopted in order to smooth the transition. First, the provisions regarding reference page limits should not be applied to pending applications, as that would permit an examiner to interrupt prosecution on a reference due to its page count. Secondly, the new rules should not be applied to pending cases in which restriction requirements have been issued because IDSs for such applications may have included prior art for multiple distinct inventions, thus rendering the new 20 reference limit unfair and unduly burdensome.

⁴ See Proposed Rule 98(a)(3)(5).

Conclusion

MIPLA submits that the Proposed IDS Rules are likely to degrade the quality of patent examination due to the applicant behavior they encourage. Because the burdens hoisted on applicants by the Proposed Rules are substantial, many applicants will avoid fully educating themselves – and thus the PTO – as to the state of the art. If the PTO nevertheless decides to promulgate the Proposed IDS Rules, they should be applied only to applications or IDSs filed after the effective date. The freedom of examiners to deem references cumulative (and thus avoid considering them) should be curtailed. The page count limitation should be removed as unduly burdensome to a large percentage of applicants. Lastly, as a transitional measure the Proposed IDS Rules should not be applied to pending applications involving previously issued restriction requirements.

Thank you for your kind consideration of these comments and suggestions. If the Office desires to discuss any of the foregoing issues in further detail, the committee responsible for formulation of these comments can be reached at lawrevisions@lists.statebar.gen.mn.us.

Sincerely,

/s/ Greg H. Gardella

Greg H. Gardella
Chairman
Intellectual Property Law Revisions Committee of the
Minnesota Intellectual Property Law Association
On behalf of the
Minnesota Intellectual Property Law Association

cc:
Catherine Klima
President
Minnesota Intellectual Property Law Association