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From: Salehi, Dan [mailto:DSalehi@duanemorris.com]

Sent: Tuesday, May 02, 2006 4:21 PM

To: AB94Comments

Subject: BADC's Comments to Proposed Examination Rules

<<Proposed Examination Rules.pdf>> Please see attached letter, providing comments by the Bar Association of the District of Columbia, PTC section, concerning the Changes to Practice for the examination of claims in patent applications.

Sincerely,

Dan Salehi, Esq.

Patent Committee Chair

The Bar Association of the District of Columbia, PTC Section

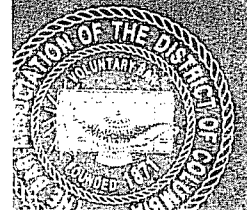
**DEPARTMENT OF COMMERCE
Patent and Trademark Office**

Statement of the Bar Association of the
District of Columbia PTC Section concerning the proposed Modification to the Code
of Federal Regulations,
Changes to Practice for the Examination of Claims in Patent Applications
Rulemaking Notice of January 3, 2006, 71 Fed. Reg. 61

The Bar Association of the District of Columbia ("Bar Association") appreciates the opportunity to submit the following statement regarding the United States Patent and Trademark Office's ("PTO") Notice of Proposed Rulemaking, appearing at 71 Fed. Reg. 61 (2006)(to be codified at 37 C.F.R. 1.75 *et seq.*), entitled: "*Changes to Practice for the Examination of Claims in Patent Applications*" (herein, "*Proposed Examination Rules*"). The *Proposed Examination Rules* includes three parts: Part 1, Section 75(b) – Claim(s); Part 1, Section 104 – Nature of Examination; and Part 1, Section 261 – Examination Support Document. The following comments are directed to these three Sections.¹

The Bar Association is one of the senior intellectual property bar associations in the United States. It is uniquely situated in the Nation's capital, and has a broad cross-section of members who represent a wide range of technical and practice areas

¹ Simultaneously with the issuance of the *Proposed Examination Rules*, the PTO issued a second Notice of Proposed Rulemaking, entitled "*Changes to Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims*" (herein, "*Proposed Continuation Rules*"), 71 Fed. Reg. 48 (2006)(to be codified at 37 C.F.R. § 1.78 *et seq.*) Because of the complexity of the proposals, the Bar Association submits a separate statement addressing the *Proposed Continuation Rules*.



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in industry, government, and private practice. Some of its members specialize primarily in patent procurement, some entirely in litigation and counseling. Others have a mixed practice, combining patent procurement with litigation, while still others may participate in patent procurement issues by advising others on strategy. Many of our members have served the PTO in a professional capacity and are intimately familiar with this agency's mission and practice. The Bar Association is concerned with the efficiency and practicability of the Proposed Examination Rules as well as the effect they will have on the public's right to obtain, protect, and enforce patent rights.

The interest of the Bar Association is entirely *pro bono*, and this statement is aimed at advancing the patent profession. The views expressed herein represent only those of the Patent, Trademark & Copyright Section of the Bar Association of the District of Columbia, and do not represent those of the Bar Association of the District of Columbia or its Board of Governors.

As a preliminary matter, the Bar Association applauds the PTO's efforts to adopt rules aimed at improving examination by shortening the pendency period at the PTO. The Bar Association appreciates that the *Proposed Examination Rules* are the result of lengthy analysis and thoughtful consideration by the PTO's officers and represent an effort to strike a compromise between the intellectual property rights of inventors and the PTO's need to reduce its examination backlog. The Bar Association also appreciates PTO's efforts to explain the *Proposed Examination Rules* and to solicit the Public's feedback including conducting Town Hall meetings and making PTO representatives available for informal sessions. Consistent with this spirit of cooperation, the Bar Association's statements are intended to assist the PTO in further defining proposed Rules to suit inventors, patent owners and the PTO.

An objective of the *Proposed Examination Rules* is to focus the subject of the examination *ab initio* and to discourage the filing of applications with numerous independent claims which consume an unreasonable amount of the Examiner's time. In furtherance of this objective, the *Proposed Examination Rules* require applicants to

identify a maximum of ten claims for initial examination. These claims must include all independent claims as well as any dependent claim designated for initial examination. Applicants wishing to submit more than ten claims for initial examination or who present more than ten independent claims requiring examination are required to submit an Examination Support Document (herein, "Support Document") which must include, among other things, a comprehensive pre-examination search report, an identification of the closest prior art, a detailed explanation of each claim's patentability over that art, and a statement of utility of each independent claim.

The Bar Association agrees that limiting the initial examination to ten claims may reduce the time spent examining each application. However, the *Proposed Examination Rules* contain many ambiguities that cannot be ignored. For example, the *Proposed Examination Rules* do not explain whether each element of a Markush-type claim would be considered to be an independent claim and so counted against the number of claims to be examined. It is also unclear whether applicants will be given the opportunity to amend an independent claim to include the recitations of a non-examined claim if such amendment is deemed, at least by the applicant, to overcome the art of record. In addition, it is unclear whether the resulting claim would be deemed to be a new independent claim necessitating a new search; if so, the *Proposed Examination Rules* will result in a "piecemeal" examination of the application whereby one subset of claims is examined followed by another resulting in an even lengthier prosecution cycle.

Further, requiring applicants to file a Support Document, while effective in reducing the number of claims filed, is particularly onerous. As briefly discussed, the Examination Support document requires applicants to conduct an exhaustive search prior to or upon filing the application.² Applicant must also provide a detailed

² The *Proposed Examination Rules* provided for a one-month, non-extendible, period for providing a Support Document or curing the deficiencies of a non-compliant

assessment of the prior art and present a patentability opinion for each uncovered reference. These measures will significantly increase applicant's pre-filing cost, thereby making it more difficult, if not impossible, for independent inventors and/or small entities to adequately claim and protect their intellectual property.³ These measures will also delay the filing of applications which necessitate more than ten independent claims. In addition, given the current state of patent litigation and the proliferation of inequitable conduct as means for rendering patents invalid or unenforceable, most practitioners will be reluctant to submit an Examination Support document. Accordingly, the Bar Association submits that Support Document will impose legal obligations that far outweigh the advantages it may provide.

The Bar Association's members have also advised that although limiting examination to ten claims may not be unreasonable in mechanical and electrical arts, adequate protection of certain biological, chemical, or pharmaceutical inventions may require submission of more than ten independent claims. Should the *Proposed Examination Rules* be implemented, applicants in biological, chemical or pharmaceutical arts will have to choose between inadequately protecting their inventions or creating a file history fraught with potential estoppels due to the potential use that may be made of statements made in the Support Document to invalidate or limit the claims.⁴

Support Document. Given the complex requirements of the Support Document, the one-month period is unreasonably inadequate.

³ As noted in footnote 5, *infra*, a about a third of all applications having more than ten independent claims were filed by small entities.

⁴ When viewed in light of the *Proposed Continuation Rules* applicants have no other option than claiming all embodiments, permutations and possible modification of the invention in one application. Limiting the total number of examinable claims to ten or requiring submission of a legally perilous document, will force applicants to forgo disclosing portions of the invention or dedicate the unclaimed portions to the public. Either outcome will have an undeniably chilling effect on innovation and public dissemination of new inventions.

Limiting the examination to ten independent claims also is unlikely to yield PTO's desired outcome. As stated in the Federal Register comments accompanying the *Proposed Examination Rules*, one goal of the *Rules* is to reduce the number of applications filed with more than ten independent claims. However, limiting the number of independent claims to ten is not the same as requiring applicant to designate ten claims for examination. Requiring applicants to designate only ten claims for examination, or alternatively requiring the submission of an Examination Report, will only reduce the number of application with numerous dependent claims. It will also have the unintended effect of reducing the number of claims in all applications.⁵

Finally, the *Proposed Examination Rules* may have a substantive effect on the inventors' statutory rights. Consequently, if the *Proposed Examination Rules* are promulgated in their current form, the PTO may face statutory and constitutional challenges that would result in years of litigation and uncertainty. The Bar Association is concerned that this uncertainty would cloud patent practice in the interim and may lead to even more litigation during this period.

In view of the foregoing concerns, the Bar Association suggests modifying the *Proposed Examination Rules* to allow applicants the option of: (i) designating an allotted number of claims for initial examination, or (ii) paying additional search and examination fees should applicant wish to submit and examine more than the allotted number. The PTO has successfully used the fee system to deter applicants from filing multiple independent claim. It is possible to extend the same principle to reduce the examination time by providing incentives (or disincentives) to file numerous independent claims.

The PTO can also make other tools available to the Examiners to reduce the examination burden. Our members have advised that the Examiners make liberal and

⁵ Given the uncertainty of whether the unexamined claims will be ultimately enforceable, applicants facing the promulgation of the *Proposed Examination Rules* may find themselves better served by filing only ten claims.

frequent use of the restriction practice to narrow the focus of the Examination.⁶ Thus, even in applications with numerous independent claims, a clever Examiner can effectively reduce the focus of the application to a manageable number of claims.

Alternatively, the fee system could be used as an incentive for reducing the number of claims and focusing examination at an early stage. The PTO's most-recent fee increase was implemented on December of 2004. This fee-increase was different from the previous fee increases in that (i) it imposed a filing fee separate from the examination fee, and (ii) it provided an excess claim fee for applications having more than 3 independent claims or more than 20 claims in total. It is not clear whether the 2004 fee-increase has been effective in reducing the number of independent claims. If the 2004 fee increase was effective, then similar measures should be pursued. For example, the PTO can provide a fee-reduction incentive for applicants who select a limited number of claims for initial examination. We note that any such proposal should clarify the ambiguities discussed above.

Finally, the so-called "examination point-system" should be revised. Pursuant to the existing point-system an examiner receives a number of examination points for examining the application from start to finish. The Examiners receive the same number of points regardless of the complexity of the invention or the number of claims.⁷ A more comprehensive system would allocate points to the Examiners on the basis of complexity and commensurately passes the examination cost (or discount) to the applicant.

In conclusion, the Bar Association applauds and supports the PTO's initiative in implementing this study and for its efforts in improving the examination practice.

⁶ One of the ambiguities of the *Proposed Examination Rules* is the status of the claims which are initially designated for examination but are later subject to restriction.

⁷ Our members have voiced that the point-system does not provide adequate examination time for examining complex inventions. It instead it provides incentive to issue unwarranted restrictions and pre-mature final Office Actions.

PTC Section of BADC Statement
Regarding Proposed Examination Rules

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The Bar Association would welcome any opportunity to assist the PTO in this endeavor.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Dianoosh". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dianoosh Salehi, Patent Committee *Chair*
Joslyn Barritt, Patent Committee *Vice Chair*
David W. Long, PTC Section *Chair*