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To: AB94Comments

Subject: Comments on "Changes to Practice for the Examination of Claims in Patent Applications," 71 Fed.Reg. 61

Attached is a PDF file of my comments on "Changes to Practice for the Examination of Claims in Patent Applications," 71 Fed.Reg. 61. If you need them in a format other than PDF, please let me know.

Lee Hollaar

**Comments to proposed rules:
“Changes to Practice for the Examination of Claims
in Patent Applications,”
71 Fed. Reg. 61**

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May 3, 2006

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The views expressed here are his own.

Introduction

It should be clear that the effect, if not the intent, of these proposed rules is to limit the number of claims examined in a patent application to ten or fewer. The burden of producing the required “examination support document” and its potential consequences in any litigation to enforce the patent owner’s rights means that applicants would be well-advised to take whatever steps are necessary to avoid having to file that document.

I agree with the comments from others regarding the negative consequences on enforcement litigation of the examination support document, that the rules should not be applied retroactively, and the likely lack of statutory authority to limit the number of claims by adopting draconian penalties for having more than ten claims examined. Below, I address a number of points that have not been made, and suggest alternatives to the proposed rules to help address the examination problems at the USPTO.

The proposed rules pose a particular problem for software-based inventions

The proposed treatment of a dependent claim that is in a different statutory class as an independent claim, counting toward the ten that are allowed before an examination support document must be filed, poses a particular problem for software-based inventions. It is common for such inventions to include claims in at least two classes: method (“process” in the statute) and system (“machine” in the statute). As the result of the Office’s acceptance of computer program product (“Beauregard”) claims in its examination guidelines, a third statutory class is generally included: “manufacture.” Some have suggested extending the manufacture class to include propagated signals carrying a program that implements the patented method. (See, for example, Linck and Buchanan, “Patent Protection for Computer-Related Inventions: The Past, the Present, and the Future,” 18 *Hastings Comm/Ent L.J.* 659 (1996).)

Little additional burden for the examiner

This multiplicity of claims does not impose an additional burden on the examiner if a claim strategy emphasizing the patentable method and reaching the other classes through simple dependent claims is used. For example, if claim 1 is in the form:

1. A method operating on a digital computer, the method comprising:
[Step one of the method];
[Step two of the method];
. . . ; and
[The last step of the method].

Then, with boilerplate support in the specifications, the apparatus and article of manufacture can be claimed as:

2. A digital computer system programmed to perform the method of claim 1.
3. A computer-readable medium storing a computer program implementing the method of claim 1.

While this involves three different statutory classes, the claims are clearly presented in a way that helps the examiner by highlighting the patentable aspects being claimed (the particular method) and requires little additional work for the other two statutory classes. Such claiming should be encouraged by the USPTO, not discouraged by reducing the number of claim sets that can be presented to three, since a fourth claim set, with dependent claims in all three classes, would cause the number of “representative” claims to be 12, and would require an examination support document, even though there would be only four claims that really need examination.

Claims for inventions with cooperating components

Multiple independent claims are also necessary when the claimed invention can be divided into two or more distinct components, such as a transmitter portion and a receiver portion. This is necessary when there is a viable market for just one component of the patented invention, such as a client/server system that operates in a patentable way. If the invention were claimed only as the overall system, at best a competitor producing the client would be only a contributory infringer and would have no liability if some substantial noninfringing use of its product could be shown.

As proposed, the applicant whose invention is a method that has, for example, distinct transmitter and receiver components may only be able to designate one substantial claim for examination without having to file an examination support document, because there would be eight more claims that would be automatically designated under the proposed rules but require little more examination. The claims would be: (1) an independent claim for the overall method, (2) a dependent claim for an apparatus implementing claim 1, (3) a dependent claim for a medium storing an implementation of claim 1, (4) an independent claim for the transmitter aspects of the method, (5) a dependent claim for an apparatus implementing claim 4, (6) a dependent claim for a medium storing an implementation of claim 4, (7) an independent claim for the receiver aspects of the method, (8) a dependent claim for an apparatus implementing claim 7, and (9) a dependent claim for a medium storing an implementation of claim 7.

Addressing off-shored steps

With the Federal Circuit decision in *NTP v. Research in Motion* (418 F.3d 1281, 75 USPQ2d 1763) holding that if any step of a method claim is performed outside of the United States, then the claim is not infringed, it is likely that even more claim forms will be used to assure proper protection for an invention. It may be the case where there are more than ten independent claims necessary to properly cover the invention, all rising or falling on the same prior art. Yet, under the proposed rules, even though the examiner workload is increased only to the extent necessary to determine that the claims require the same search, such applications would incur the problems of having to file an examination support document.

This problem will continue, and applications for software-based inventions will be disproportionately affected by any attempt to reduce the number of permissible claims or limit

claims by harsh consequences or exponentially-increasing fees, unless Congress amends Section 271 so that the variety of claim forms are not necessary for direct infringement to be found. The Office should recognize this problem and make Congress aware of the problem and its effects on patent examination.

What else should be done

While the proposed rules will do little to solve the examination problems faced by the USPTO, beyond effectively forcing applicants from filing the claims that they are statutorily permitted to properly protect their inventions (or to come up with new schemes to avoid the proposed rules that will likely be more burdensome on the Office), there are a number of actions that can be taken by the Office, or by Congress with the Office's urging, that could definitely reduce the problem.

Dependent claims can aid prosecution efficiency

Any rule change should recognize that there are two distinct reasons why dependent claims are included in an application. The first is to aid in the prosecution of the application by essentially proposing a number of alternatives for the broadest scope of the patent, and allowing the examiner to indicate where he would draw the line given the prior art located as the first office action is being prepared.

Until the Federal Circuit's misguided decision in *Honeywell v. Hamilton Sundstrand* (370 F.3d 1131, 71 USPQ2d 1065), it was common for an applicant to present an independent claim representing the broadest coverage that might be possible given the prior art known to the applicant. Dependent claims immediately following that claim would give additional limitations that might remain patentable given prior art found by the examiner. The examiner could then search for prior art that would cause the rejection of the narrowest of this claim set and if such art was not found, could determine from the references whether any of the broader claims in the set (including the independent claim) were patentable.

The examiner would indicate this by rejecting any claim that is unpatentable based on the prior art found in the search, but only objecting to the dependent claims that would be patentable over the found prior art and indicating that the claim would be patentable if rewritten as an independent claim incorporating all the limitations of the claims on which it depends. The applicant would then copy those limitations into the dependent claim and have that new independent claim allowed. If applicants thought that the examiner had drawn the line too strictly, they could then reply based on the differences in scope between the allowable and rejected claims and how those are addressed in the prior art. If it was desirable to receive a patent quickly, the claims in contention could be cancelled, allowance taken after rewriting the objected-to claim, and a continuing application filed containing the claims in contention and a terminal disclaimer.

This is exactly the type of efficient prosecution the Office should be encouraging. But, like the proposed examination support document, the problem is not so much what happens during patent prosecution but instead how it can affect later litigation. Under the Federal Circuit's opinion in *Honeywell*, restating a dependent claim in independent form by simply copying all the limitations of its parent claims is a narrowing amendment, and therefore a surrender of the doctrine of equivalents.

On the other hand, if all the claims in the claim set had been written in independent form, cancellation of claims not patentable because of the prior art found by the examiner may not prejudice the allowable independent claims, which would have a possible scope under to doctrine of equivalents up to the rejected claims. But beyond the payment of slightly-higher fees because of the use of independent claims rather than dependent claims, the examination is complicated because the examiner must now determine how one independent claim differs from another. If

one is simply a copy of another with a limitation added (as would be the case with a dependent claim), then this only requires a word-for-word check to determine what has been copied. However, if the claim is stated differently, it may require a separate search strategy on the part of the examiner.

The Office should work with other interested parties to have Congress legislatively overturn the Federal Circuit's *Honeywell* decision, because the advantage to the long-standing practice of using dependent claims to make examination more efficient should be promoted, not penalized.

Special treatment for after-allowance dependent claims

The second use of dependent claims has little to do with patent prosecution, but instead provides fall-back positions if a claim is held invalid because of prior art put forward in litigation. There is little need to examine such claims beyond a simple determination that they are of proper form and that they have support in the specification.

Presumably, these are the very claims that the Office is trying to address under the proposed rules. The Office should focus on how these claims can be handled more efficiently, and reward that with lower filing fees.

One possible approach would be to allow such claims to be added to an application after allowance, at a reduced fee and with little delay in issuance of the patent. An examination support document could be required, indicating where the support for the added limitation of the dependent claim is found in the specification. Since the applicant is not being asked to characterize the work of others, but only point the examiner to a portion of the application, the chance that this would result in a charge of inequitable conduct is negligible.

Because such after-allowance dependent claims would not be examined separately against prior art, since they contain all the limitations of a claim allowable in light of all the prior art considered by the examiner, they should only enjoy a presumption of validity with respect to whether they are definite and supported by the specification. But any presumption of validity of such claims when prior art not considered by the examiner is asserted in litigation is weak anyway, which is precisely the time they are necessary – because a fully-examined claim has been invalidated on new art.

Examination support for functional claim elements

There is another circumstance where a limited examination support document could substantially improve the efficiency of the examination while having minimal effect in litigation (and might even improve efficiency there). When a claim element is written using functional language under Section 112, sixth paragraph, the examiner must locate that portion of the specification that gives the corresponding structure, material, or acts. This may be difficult if such portions are not clearly indicated, and a mistaken determination by the examiner leads to a wasted office action and response.

Having the applicant furnish such a limited support document for each functional claim element would allow the examiner to meet the requirements of *In re Donaldson* (16 F.3d 1189, 29 USPQ2d 1845) with little effort.

Changing the examiner productivity measure

But the most important thing the USPTO can do does not need statutory changes or even new rules. It can bring its current system for determining examiner performance into the 21st Century. There is no need to continue the current coarse-grained “count” system, which may have made sense when records were kept with paper and pencil, but has no justification when it is possible to gather statistics to the level demonstrated in this notice of proposed rulemaking.

The patent statutes already recognize that applications with more claims require more work, as do longer applications. That is why there is a surcharge added to the normal application fee for claims above three independent and twenty total claims, and for applications longer than 100 pages.

But, while the Office collects additional revenue to support the additional work, it does not translate that into additional credit for the examiner performing that work on the particular application. The examiner receives the same credit for the disposal of a short application with few claims as for the applications with a large number of claims that the proposed rules try to address. That makes no sense.

It has been said that the measure determines the system, and that is certainly the case here. Professor Wegner, in his comments for the companion to this rulemaking proposal limiting the number of continuations correctly notes that some examiners will force the filing of a continuation in order to increase their performance measure on a particular patent. Conversely, not considering the number of claims examined in the performance measure leads to ill-conceived proposals to limit the number claims even when added fees are paid to cover the added time needed.

At the same time it reforms its internal performance measuring system, the Office should ask Congress for authority to charge for other things within the control of an applicant that take additional examiner time, such as voluminous information disclosures that are more calculated to bury the examiner in hopes of a quick initialing of the sheet for a reference so that it can't be used in later litigation. The Office should even consider recommending to Congress surcharges for particular technologies, such as business method patents where the "second set of eyes" program has improved examination quality but at a clear increase in cost.