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Sent: Wednesday, May 03, 2006 10:39 PM

To: AB94Comments

Cc: John Richards

Subject: Submission of comments to USPTO (Claim practice)

May 3, 2006

Our comments on the proposed Changes to Practice for the Examination of Claims in Patent Applications can be found in the accompanying PDF document.

Thank you



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May 3, 2006

The Honorable Jon Dudas
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
Mail Stop Comments
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Attention:
Robert W. Bahr
Senior Patent Attorney
Office of the Deputy Commissioner for Patent Examination Policy

Re: Comments on Proposed Rules:

"Changes to Practice for the Examination of Claims in Patent Applications"
71 Fed. Reg. 61 (January 3, 2006)

Dear Under Secretary Dudas:

The Ladas & Parry LLP appreciates the opportunity to offer comments regarding the U.S. Patent and Trademark Office ("USPTO") proposed rules directed to changes to practice for the examination of claims of patent applications published at 71 Fed. Reg. 61 (January 3, 2006).

Ladas & Parry LLP is a multi-national law firm which specializes in intellectual property matters. The lawyers and patent professionals of Ladas & Parry LLP are licensed to practice not only in the United States but also in a number of foreign jurisdictions, including the European Patent Office, the United Kingdom Patent Office, the French Patent Office, the German Patent Office, the Italian Patent Office, and the Canadian Patent Office, to name a few. Ladas & Parry utilizes competent foreign associates in every other jurisdiction of the world. This in house expertise coupled with the experience of our foreign associates gives us a unique perspective on how patent practice is accomplished across a wide range of jurisdictions. Our lawyers have been called upon over the years to help draft intellectual property legislation in a number countries.

General Comments

The USPTO has proposed dramatic and complex changes to the claim examination process to "focus its initial examination on the claims designated by the applicant as representative claims" presented in an application for patent.

At the same time, it has also proposed changes to the current continued examination practice available to applicants (discussed by Ladas & Parry LLP in a separate letter) to expedite the examination process, make it more efficient, and allegedly improve the quality of issued patents.

We recognize that the PTO has a problem with the work load that it currently has to handle and that it faces the difficult tasks of improving the quality of examination to meet the criticisms that have been expressed in the media, training new staff and dealing with increasing numbers of applications each year. However, wholesale changes of the type proposed are likely to make matters worse. One has only to recall the reaction to the 1996 change in patent term to note that when applicants believe that there is a risk that rights may be lost by a change in law, the natural reaction is to file a few "spare applications" to make sure that one has something to fall back on. As a practical matter, it is not difficult to draft such applications in a way that will comply with whatever limitations the PTO seeks to impose. Similarly when the Festo decision came down this provoked an increase in the number of claims filed as practitioners sought to ensure that their clients rights were not lost. In the present proposals, the PTO has we believe failed to appreciate the likely response from applicants. We believe that such response will probably increase the PTO's difficulties rather than reduce them. Indeed, these proposed changes, taken both individually and together, are very troubling. Ladas & Parry LLP believes that there are far simpler solutions to the issues posed by the USPTO.

In this rule proposal, the Office proposes to severely limit the number of claims it would accept in an application for initial examination. We believe that this would tend to limit the ability of an applicant to obtain claims for an invention that is commensurate with the full scope of the contribution by the inventors. In the other rule proposal, the Office proposes to severely limit the opportunity for continued presentation of claims by means of continuation and continued examination practice; we believe that this proposal by itself would be disadvantageous to applicants by prematurely truncating prosecution of their applications. It would further disadvantage applicants when combined with the limited number of claims proposed to be accepted for initial examination. Together, as a practical matter, these proposals would tend to require applicants either (1) to reduce the scope of the claims pursued (whether in the same or unrelated applications), (2) to accept more narrow claims as a result of the more limited opportunity for continued presentation of claims and/or (3) file larger numbers of

patent applicants each with a narrower disclosure, in order to have a reasonable number of claims examined by the USPTO.

Ladas & Parry LLP fully supports the USPTO in undertaking reasonable efforts to become more efficient and to improve the quality of issued patents. We are concerned, however, that the proposed changes will not lead to greater efficiency in the examination process, will not reduce the pendency of patent applications, and will not improve the quality of issued patents. More likely, the proposed changes would protract the examination process and divert scarce resources from examining activity to administrative tasks.

Current US Practice is "Different"

We note that other patent offices function well without artificially imposing such a limit which we believe would tend to limit the ability of an applicant to obtain claims for an invention that is commensurate with the full scope of the contribution by the inventors. Moreover, the USPTO has not considered other alternatives, such as changing the manner in which excess claim fees are charged to encourage patent applicants to present claims in a compact format, utilizing multiply-multiply dependent claims, for example. Most other countries permit the use of multiply dependent claims that depend from other multiply dependent claims and our experience is that this seems to work well. As a practical matter, when claims are drafted in this form, the examiner essentially has to consider the feature of such a claim only once since any combination of that feature with the feature of a claim on which it is dependent will result in the examiner being able to reject the claim and it will not be necessary for the examiner to work his or her way through every possible combination of features.

Practice in the United States differs from that in other countries in that here there is a possibility that the meaning of the claim will ultimately need to be explained to a jury and this results in the feeling that the applicant needs to be able to express the invention in different ways (while recognizing that the doctrine of claim differentiation means that there must be some actual difference in scope between claims). This concern is justified and means that an approach similar to the European Patent Office's rules rigidly limiting the number of claims permitted in each claim category are not appropriate in the United States. However, a pricing policy which increases the fees for additional independent claims in the same category could cause applicants to think seriously about whether such additional claims are worthwhile, a point which we discuss in greater detail below. Additionally, adoption of the "common inventive concept" approach to restriction requirements as is done in PCT national phase entries would also have the effect of simplifying prosecution by having the same examiner deal with all issues related to that inventive concept only once, rather than having to have similar issues considered separately in various divisional applications.

The USPTO is proposing changes to the claim examination process to focus its initial examination on the claims designated by the applicant as representative claims. Representative claims must include all the independent claims in an application and may include dependent claims up to a maximum of ten representative claims without triggering any further requirement. An applicant may obtain initial examination of more than ten claims if an examination support document is filed that covers all the independent and dependent claims designated as representative.

The USPTO claims that these proposed changes will make the USPTO more efficient. we think that is far from being the case. We believe that:

(1) These new requirements will just create new sources of possible issues which will need to be resolved before examination even begins. We see conflicts over the adequacy of the examination support document and whether it is proper to require one if a proper restriction requirement has not been made first.

(2) Applicants will file a larger number of shorter applications each having fewer claims to be examined and the application will be drafted so that there is insufficient overlap to trigger a double patenting rejection. We foresee US patent applications to become more Japanese-like in terms of its scope. In Japan large numbers of patent applications and related utility models are filed each year. Is the USPTO ready for that onslaught? Would that response by applicants solve your problems. We very seriously doubt it.

The USPTO notice states that the proposed changes would allow the Office to do a better, more thorough and reliable examination since the number of claims receiving initial examination would be low enough to be effectively and efficiently evaluated by an examiner.

We believe that the proposed changes would introduce several administrative tasks both for patent examiners and applicants that are likely to detract from patent examination efficiency and would lead to piecemeal prosecution. The number of disputes prior to examination, especially with respect to the proper designation of claims and the adequacy of an examination support document, is certain to add to the period of pendency, examiner inefficiency and the overall cost of obtaining a patent. We foresee a significant increase in the number of applications which are filed. The net result may well be that the USPTO has more to do rather than less work to do. The USPTO simply has not studied the matter in sufficient detail to know what the result of these proposed rules might be.

Inefficient Examination

The USPTO suggests that the current practice for examining claims is not efficient because it requires an initial patentability examination of every claim in an application, notwithstanding that this effort is wasted when the patentability of the dependent claims stand or fall together with the independent claim from which they directly or indirectly depend. To our experience, this sort of situation happens when the Examiner does not pay attention to the limitations in the claims and then stitches together a prior art analysis which deals with only perhaps 90% of the limitations of the claims. If the nature of the examination changes so that Examiner's focused (on their own volition) on the independent claims then the Examiner process could take a more European flavor.

But to truly adopt a more European Examination style, where the Examiners concentrate more on the independent claims than the dependent claims, means that the US cannot stick with its 50 year old experiment with "compact prosecution". Compact prosecution can lead to the very problem the USPTO is faced with: having to examine each and every claim.

Representative claims: A False Analogy

The USPTO notice makes a false analogy of the proposed representative claim practice to the court and Board of Patent Appeals and Interferences practice of using representative claims to focus issues in a case. The analogy fails because the claims going to the Board have already been examined and are supported by a fully developed record. An appellant's recognition that certain claims stand or fall together is informed by that fully developed record, but such a record would not exist in the case of a patent application that has not yet received a first Office action on the merits.

Representative claims: Which ones are they?

There often will be no realistic way for an applicant to identify ten claims that are "representative" of the invention, as each of the claims is representative of some different aspect of the invention. More specifically, nearly all inventions are combinations of different features that individually are known in one or more areas of the prior art. As a result, the particular claims that one might emphasize often will depend upon the specific direction from which another is attacking the claimed invention.

For example, assume an application that claims the combination of A, B and C, where each of A, B and C individually is known and where the sub-combinations of A+B, B+C and A+C also individually are known, e.g., in different areas of prior art. In such a case, different claims would be most distinguishing depending upon whether the person

challenging patentability were starting from the known combination of A+B (in which case claims that emphasize feature C would be most "representative"), the known combination of A+C (in which case claims that emphasize feature B would be most "representative"), or the known combination of B+C (in which case claims that emphasize feature A would be most "representative").

In short, the very concept of "representative claims" is necessarily contextual, and an applicant does not have the necessary context to make such a selection upon the initial filing of a patent application. Presumably, an applicant would have no motivation to include (and pay for) more claims than is believed necessary to adequately distinguish from the universe of potential prior art, particularly in view of the recent substantial increase in the cost of claims.

Moreover, the policy in limiting the number of claims to be examined to the Representative Claims, only causes delay in the examination of the "non-designated" dependent claims and that conflicts with the both proposed Office policy to limit or curtail continuing applications and the stated desire to reduce pendency. We are concerned that any "non-designated" claim will be unprotectable under the proposed revisions to 37 C.F.R. 1.78, et seq, as prohibited "voluntary divisionals." We respectfully request the Office to avoid this undesirable consequence.

Examining All Claims

The statement by the USPTO that it would examine every claim in an application before issuing a patent on the application is, in a word, misleading:

(1) The USPTO does not intend to search and examine independent claims in excess of ten unless an applicant submits an examination support document for those claims.

(2) The USPTO does not need to spend a lot of Examination energy examining claims which depend from allowable independent claims.

(3) The USPTO does not intend to examine claims which are subject to a proper restriction requirement.

Under the proposed rules, the PTO would only examine dependent claims not designated as representative when the independent claims from which they depend are determined to be patentable, and then would only examine them for compliance with sections 101 and 112 of title 35. Examining for compliance with sections 101 and 112 of title 35 is not time consuming and therefore all claims should be reviewed for compliance. Patent applicants pay the USPTO to examine claims and that is exactly what the USPTO should do. Patent applicants should not be faced with trying to enforce an unexamined claim downstream during patent litigation.

Excessive Claiming

USPTO statistics suggest that a small minority of applicants engage in claiming practices that are regarded as excessive (1.2% if one were to use the PTO's definition of excessive). The response by the USPTO is to penalize 98.8% of applicants for the behavior of 1.2%!

Given the small minority of applications using unusually difficult claiming practices, the problem should be addressed on a case-by-case basis in a balanced and reasonable way. It is neither balanced nor reasonable to penalize all applicants and burden the USPTO staff that must administer these complex proposals based on the "excessive practices" of a very small minority of applicants.

We suggest that the Office address excessive claiming concerns in a simple and straightforward manner.

First an application needs to be examined for unity of invention. And, in this connection, we recommend against keeping the present US standard (actually to us it seems to be a "non-standard") in favor of the PCT or international standard for unity of invention. The current US standard leads to very inconsistent results. We have certainly seen applicants with many independent claims; for example, an application with 18 independent claims representing 9 inventions, with each invention having two independent claims, one method and one apparatus, comes to mind. The Examiner, for whatever reason, was not willing to make a restriction requirement. If the international standard (based on novelty conferring features) had been applied to this application it would have been broken up into the parent plus eight divisional applications, each with a very reasonable number of claims. The specification had full support for these nine inventions. So exactly why is an applicant supposed to be penalized with a requirement for filing a patentability support document in such a case? If there are a reasonable number of independent claims **per invention** a patentability support document should not be required.

Only after the preliminary examination for unity of invention and receipt of the applicant's response can a proper assessment be made as to whether the applicant has proposed an unreasonable number of independent claims to be examined. The basic fee structure should permit a reasonable number of claims **per invention** to be examined. We like the proposal by the AIPLA that the number be 6 independent and 30 total numbered claims, and allowing multiple-dependent on multiple-dependent claims, each counting as a single numbered claim. To the extent that an applicant believes that a particular invention cannot be appropriately protected within these constraints, instead of requiring the proposed patentability support document (which we do not view as being particularly helpful), require such applicants to pay additional examination fees based on the number of elected claims at a very high per-claim cost. The higher

fees would discourage inadvertent or unnecessary excess claiming. But these fees can only be rationally assessed after making a rational unity of invention analysis. Additional examiner time and credit could be given in the very few cases in which this would occur. This approach would permit applicants to effectively claim their inventions and have all elected claims examined in a first Office action on the merits if the USPTO intends to stick with compact prosecution and not adopt a more European examination style. However, when we mention adopting a more European style, we mean style as opposed to substance. We believe the EPO's limit of one independent apparatus and one independent method claim per invention is not appropriate for the US (and it isn't really appropriate for Europe either, but that is another issue altogether) for the reasons given above.

Improved Public Notice is Doubtful

The Office has also justified the proposed rules to provide increased notice to the public about what can and cannot be practiced by the public without permission. It is well settled law that claims define the metes and bounds of what may be practiced without a license. Under currently applicable case law (*Johnson & Johnston v. RE Services*), subject matter disclosed in an application and unclaimed is dedicated to the public. We believe that the current rule satisfies the notice function of a patent. To limit the number of patents that can be issued based on a full disclosure unfairly penalizes applicants who have improved the art.

We would prefer to have judicial review of such important equitable issues. First, courts apply equitable criteria to balance the interests of the parties to a dispute. Under the proposed rule, the equitable criteria are applied for the benefit of the Office by the Office. This is inconsistent with the historical role of courts in equity.

Greater Efficiency and Improved Quality are Doubtful

The patentability support document will increase the cost of filing many US patent applications, particularly those that disclose many inventions which can be used in harmony with one another, but which are not related in terms of an international type unity analysis. It might affect the behavior of some of the 1.2% of applicants which the USPTO wants to corral. It will certainly affect the behavior of many of the 98.8% which are not supposed to be the object of the office's ire. We foresee the following:

- (1) the proposed rules will just play into the hands of the 1.2% of applicants who are supposed to be most affected by the proposed rule. They will just file canned patentability support documents which dance around the issue and to which the examiners will object. This will consume time (and energy), but the

USPTO will end up giving these applicants exactly what they want: time. They will eventually get it right or reduce the number of claims, after first getting whatever delay they were looking for.

(2) the proposed rules will affect those applicants who make large system-type inventions by causing them to break their applications into smaller bite size pieces before they are filed. If the inventions of these respective applications can be used independently one of another then they will pass muster under any reasonable non-unity analysis. The applications will become more Japanese in style. Is this something that is worth causing to happen when there are certainly more reasonable alternatives available, such as those discussed above?

The USPTO should determine whether the USPTO and applicants would be the beneficiaries of greater efficiency and improved quality of examination if an examiner is given more time to initially focus on some claims and ignore others. This might result in improved efficiency and an improved work product from the examining corps as a whole, but only if the USPTO experiment with compact prosecution is jettisoned. In our letter relating to the proposed changes in continuation practice we challenge the USPTO to consider doing away with compact prosecution and hence the need to file so many continuing applications and/or RCEs. Compact prosecution was probably adopted as a means to help measure examiner productivity. In our estimation, the system in place to measure examiner productivity is The system which the USPTO uses to measure examiner productivity is fatally flawed. As we mention in our other letter, the USPTO should, at the very least, study the measures adopted by the other major patent offices to gauge how to measure examiner productivity without rewarding them for triggering the filing of needless continuation applications or needless RCEs.

The following comments address the specific provisions of the proposed rules along with alternative suggestions for implementation if these proposals are adopted.

Section 1.75(b) Dependent Claim

The proposed amendment to this paragraph specifies that unless a dependent claim has been designated for initial examination prior to the time when the application has been taken up for examination, the examination of such dependent claim may be held in abeyance until the application is otherwise in condition for allowance. The mere presentation of a dependent claim in an application containing only ten claims would not act as a designation of that dependent claim for initial examination. This places an affirmative duty on an applicant to designate claims for initial examination in almost all applications. Failure to designate up to ten claims in an application would result in the initial examination of only the independent claims.

It seems manifestly unfair and wholly unnecessary to impose such a requirement on all applicants, particularly the 98.8% who prepare an appropriate set of claims for examination. It seems manifestly unfair and wholly unnecessary to impose such a requirement on applicants before there is a reasoned decision on the number of inventions being claimed. We see no justification for pushing applicants to write "Japanese-style" applications.

If these proposed rules are adopted, their application should be limited to the small minority of applications that place an excessive burden on the USPTO and should only be applied after a reasonable restriction analysis has been made. As suggested above, applicants who present up to 6 independent claims and no more than 30 total numbered claims **per invention** should be exempt from a requirement to designate representative claims. In that case, all presented claims should be examined.

Section 1.75(b)(1) Examination Support Document Requirement This proposed paragraph provides that an applicant must submit an examination support document in compliance with § 1.261 that covers each representative claim if either: (1) the application contains, or is amended to contain, more than ten independent claims; or (2) the number of representative claims is greater than ten. Applicants would be able to avoid the high costs and risks associated with submitting an examination support document by limiting the representative claims to no more than ten. We strongly suggest that this requirement, if adopted, be imposed only in those situations which clearly impose a unique burden on the USPTO in its examination process. It is both unnecessary and undesirable to burden the USPTO staff and all applicants with the additional costs and resources that would be necessary to identify claims for initial examination by the USPTO. If the USPTO is unwilling to accept the search report of another foreign office, how can it have any confidence in the search of the applicant? Given the failure of the USPTO to effectively use even the international search reports that the USPTO prepares under the Patent Cooperation Treaty, there is no reason to believe that the examination support document would reduce pendency. Indeed, the inevitable disputes with respect to the adequacy of the document will clearly operate to extend pendency. The USPTO is playing to the hands of the applicants whose behavior the USPTO is trying to reform.

Section 1.75(b)(2) Independent Claim Redefined

Proposed Section 1.75(b)(2) seeks to redefine an independent claim to include claims that are currently considered to be in dependent form because they make reference to another claim. Specifically, this proposed paragraph provides that a claim that refers to another claim but does not incorporate by reference all the limitations of the claim to which such claim refers would be treated as an independent claim for both fee calculation purposes under § 1.16 and for purposes of § 1.75(b)(1). This proposed paragraph also provides that a claim that refers to a claim of a different statutory class

of invention would be treated as an independent claim, again for both fee calculation purposes and for purposes of paragraph (b)(1) of this section.

We consider it both unnecessary and inappropriate to change the definition of an independent claim to facilitate the proposed representative claim practice. For years the USPTO has appropriately made the distinction between an independent and dependent claim simple to determine. As presently practiced, the USPTO staff and practitioners are able to determine easily the difference between an independent and a dependent claim for fee calculation and all other purposes: A claim that does not make reference to another claim is an independent claim, and a claim that does make reference to another claim is a dependent claim. The proposed change in the definition of an independent claim would not only complicate and confuse, and needlessly make for more disputes and more churning of paper. The net result will be to slow down the examination process rather than speed it up. The USPTO has clearly not thought through the consequences of this proposal.

Section 1.75(b)(3) Notice to Applicant

This proposed paragraph provides that an applicant would be notified if an application contains or is amended to contain more than ten independent claims or more than ten claims designated for initial examination, where an examination support document was not included. The proposed notice would set a non-extendable one-month time period within which applicant must: (1) file an examination support document; (2) cancel or rescind a designation for initial examination of more than ten claims; or (3) submit a suggested requirement for restriction accompanied by an election without traverse and a designation of up to ten claims for initial examination.

The one-month period is too short to prepare and submit an adequate examination support document. In addition, the procedures required to simply identify the designated claims for initial examination would be costly to both the USPTO and applicants, thereby decreasing rather than improving efficiency. It is also foreseeable that another round of communications would be needed if an applicant selects the third option and it is not accepted by the PTO. Furthermore, the applicant should not only be given the right to appeal an adverse decision on restriction, but the international test for unity of invention should be adopted. It is much more straightforward and predictable than the current system in place in the US.

Section 1.75(b)(4) Multiple Applications Containing Patentably Indistinct Claims Under this proposed paragraph, the PTO attempts to address a situation where multiple applications are presented that contain at least one claim that is patentably indistinct from at least one claim in one or more other applications. This paragraph provides that, if the patentably indistinct claims are not eliminated from all but one of the nonprovisional applications, the independent claims and the dependent claims

designated for initial examination in all such related applications would be treated as being present in each of the applications for the purposes of § 1.75(b)(1). In other words, only ten claims could be designated among all related applications without triggering the requirement for an examination support document.

Under the proposals made by the USPTO, if an applicant acknowledges that there exists at least two applications containing patentably indistinct claims, these proposals:

- (1) require the filing of a terminal disclaimer to overcome a double patenting rejection;
- (2) expose the applicant to the risk that the USPTO would require that all patentably indistinct claims be deleted from all but a single application; and
- (3) expose this applicant to a requirement that the ten representative claims must be spread out among two or more applications.

These disincentives would discourage most applicants from acknowledging that claims in two or more applications are patentably indistinct. Will this proposal encourage examiners to search for related cases, rather than searching or examining the application at hand? If the USPTO concludes that there are multiple applications with patentably indistinct claims and the Applicant disagrees, what is the mechanism for addressing this issue? Would a rejection based on double patenting be made? Would a requirement be made to eliminate allegedly patentably indistinct claims from all but a single application? Is this yet another matter which the Board of Appeals is supposed to have the resources to consider?

It would appear that the applicant who disagrees would have to either appeal or petition to address this issue either before or concurrently with a determination of representative claims in each application, thereby causing a substantial increase in pendency. This proposal provides new incentives for applicants to challenge double patenting rejections that are currently handled by filing terminal disclaimers.

The real problem is that the current tests for measuring when claims are "patentably indistinct" are themselves unclear. The practice at the USPTO is so varied between examiners in the various groups or even within groups that applicants have little idea how their claims will be handled. That is inconvenient enough with the present rules, but the inconveniences of having an unpredictable restriction practice become even more stark when the applicant is faced with the 10 claim/patentably support document conundrum.

This proposed practice could reduce the number of representative claims identified for initial examination in related applications to significantly less than ten, depending on the number of related applications which the USPTO determines contain patentably indistinct claims. It is both unfair and unwise to further limit the number of claims

examined in a single application because it would almost certainly lead to greater inefficiencies, and may lead to the search and initial examination of only a single claim (e.g., where there are 6-10 related applications) in some applications, notwithstanding that a full search and examination fee has been paid in each of the applications.

Claims in Alternative Form

The USPTO has requested comments on how claims written in the alternative form, such as claims in an alternative form exemplified by *Ex Parte Markush*, 1925 Dec. Comm'r. Pat. 126 (1924) should be counted for the purposes of proposed § 1.75(b)(1).

Most claims drafted with an element, step, or ingredient identified by alternative embodiments are no different in substance than a broad claim or generic claim that covers an equal number of embodiments. As such, a claim drafted to identify any element, ingredient, or step in the alternative should not be treated any differently than any other claim.

Moreover, we suggest that the USPTO allow multiply-multiply dependent claims to exist in an application and these claims too should be counted as one claim each as opposed to the current system.

Section 1.104 Nature of Examination

This section is proposed to be amended to reflect that initial examination would be conducted on only the independent claims and any dependent claim that was designated for initial examination. It is further amended, consistent with the amendments proposed above, to specify that the examination shall be complete as to the patentability of the invention as claimed in the independent and the designated dependent claims only. Also, as noted above, this section is amended to state that the examination of a dependent claim that has not been designated for initial examination may be held in abeyance until the application is otherwise in condition for allowance.

What happens under the proposed rules when an applicant amends a claim to include a limitation from a non-representative dependent claim?

The USPTO needs to enforce Section 1.104 as currently written as opposed to changing it. Examiners need to make their rejections clear. The rule requires as much, but the USPTO needs to be vigilant in enforcing the rule. Applicants need to be given a mechanism to seek relief when this requirement is overlooked. Filing a petition under rule 181 might help, but it were done routinely, directors would become so overwhelmed answering petitions that they would have little time for anything else. Perhaps having an ombudsman to deal with examiners who tell applicants during interviews effectively that "the limitation must be somewhere in the reference or I

would not have cited it" might be something the USPTO should consider. Receiving a well thought out rejection can lead to refocusing the claims on what the inventive aspects of an invention really are. Receiving a rejection based on smoke and mirrors does nothing to speed up the examination process or to improve the quality of patents. It just creates reward points for churning paper. Anyway, softening this rule, such as in the manner being proposed, will not result in better US patents. Rather it needs to be enforced as written.

Section 1.105 Requirements for Information

This section is proposed to be amended to provide that an applicant may be required to identify where in the specification of the application, or in any application the benefit of whose filing date is sought, there is set forth the written description of the invention as defined in the claims, and the manner and process of making and using it.

This proposed change is unnecessary. Examiners already have the power to request any information they may reasonably need.

Section 1.117 Refund Due to Cancellation of Claim

This proposed paragraph provides for the refund of any part of the excess claim fee specified in 35 U.S.C. § 41(a)(2) for any claim cancelled before an examination on the merits has been made in the application. Good idea, but if the authority to make this refund expires on September 30, 2006, so why bother to change the rule? Ask Congress to change the statute permanently.

Section 1.261(a) Examination Support Document

An examination support document, as proposed in this section, means a document that includes: (1) a statement that a preexamination search was conducted; (2) an information disclosure statement; (3) an identification of all the limitations of the independent claims and designated dependent claims that are disclosed by the references cited; (4) a detailed explanation of how each designated claim is patentable over the references cited; (5) a concise statement of the utility of the invention; and (6) a showing of where each limitation of the designated claims finds support in the written description not only of the specification under examination, but also of any application from which priority benefit is claimed.

The requirements for the examination support document are so onerous and fraught with dangers for the patent applicant that few practitioners would recommend this approach to their clients. It would provide an infringement defendant with a wealth of opportunities to challenge a patent on the grounds of inequitable conduct. Notwithstanding the care an applicant takes in preparing such a document, it could

always be alleged that a reference in the identified search template was withheld or mischaracterized, that the explanation of how a claim is patentable over the references was misleading, etc.

In addition, the search and analysis necessary to prepare an examination support document would add significant cost to the preparation of an application, a burden that would significantly disadvantage not only independent inventors and small businesses, but big business as well. According to the 2005 AIPLA Economic Survey, the median cost for a preexamination search alone – without any patentability analysis - is approximately \$2,500. The necessary legal analysis to prepare an examination support document would add substantial costs to this amount - far in excess of the cost of the underlying search. The total cost of an examination support document could easily be greater than the cost of writing the patent application. See the additional comments of the AIPLA on this issue which we believe to be on point.

Furthermore, it is impossible to determine the extent to which the prior art must be searched to satisfy this requirement. Even a good faith attempt by a practitioner is likely to be attacked as being inadequate and calculated to somehow avoid discovery of the most relevant prior art. A "safe harbor" to protect applicants who make good faith attempts to prepare examination support documents from charges of inequitable conduct is needed. Otherwise, the dangers that a submission of the proposed examination support document would pose would effectively force applicants to limit their applications to 10 or fewer claims, denying them the right to adequately protect their inventions.

Other patent offices do not require this approach and neither should the USPTO. The USPTO pays little attention to International Search Reports in national stage application, so why would the examination support document be any different? It appears to be just is just something which the USPTO has dreamed up as a way of getting at the 1.2% of applicants that the USPTO wants to reform without much regard for its adverse consequences or its utter lack of utility. In all likelihood, the document will be put in the file wrapper to take up space and collect dust until such time as an enterprising defendant in a patent lawsuit uses it against a patent owner downstream.

Furthermore, Section 1.56 provide precious little real-world guidance in terms of what needs to be cited. The rule talks about information "material" to examination. If the applicants consider the material which many examiners base their claim rejections upon as defining materiality, well then almost anything is "material". We, as practitioners, see many pieces of prior art being cited against claims that we very likely would have passed over as not be particularly relevant. We file responses arguing against such rejections without amending the claims, and the examiner agrees with our analysis. But does that make the reference we would have passed over material? It can be material under rule 56 if even it is utterly irrelevant in an even-handed patentability analysis.

The USPTO currently sees long lists of prior art in IDSs. We are told that this is objectionable. But the driving force behind these long lists of seemingly irrelevant documents to the proclivity of the examiners to cite irrelevant documents themselves thereby setting a low bar for materiality.

Finally, there remains the fact that the proposed examination support document transfers to the applicant the costs and responsibilities of the examination process for which fees have been paid. This represents an abdication of the inherently governmental function of determining patentability, and the PTO has thus far failed to demonstrate that the requirement would produce a corresponding benefit in pendency reduction.

Section 1.261(b) Preexamination Search

This proposed paragraph provides that the preexamination search necessary to prepare an examination support document must involve U.S. patents and patent application publications, foreign patent documents, and non-patent literature. The exception is where the applicant justifies with reasonable certainty that no references more pertinent than those already identified are likely to be found in the eliminated source, and includes such justification with the search statement required in the examination support document. (Rhetorically, one might ask "How would an applicant be able to make such a statement unless the search has been conducted?" The inequitable conduct consequences would be huge for an applicant following this avenue.) The USPTO makes clear that a search report from a foreign patent office would not necessarily satisfy these requirements.

The proposed requirement is more of a validity search that would be done for litigation than a patentability search, and imposes on applicants all of the costs that such searches entail. Such a search and the support document are expected to cost considerably more than the patent application itself. To the extent that an applicant must perform a preexamination search, such a search should not be required to go beyond the resources that are publicly available online at the USPTO website or in the PTO search room.

As with the proposed examination search document, it is almost impossible to determine the extent to which the prior art must be searched to satisfy this requirement. Similarly, this requirement makes the applicant an easy target for an inequitable conduct charge in an enforcement action. The proposal is fatally flawed and should be withdrawn.

Section 1.704 Reduction of Period of Patent Term Adjustment

This proposed paragraph provides that a failure to timely file an examination support document would constitute a failure of an applicant to engage in reasonable efforts to conclude processing or examination that could result in a reduction of any accumulated patent term adjustment. Since very few of these examination support documents are likely to be filed, there is not likely to be any opportunity to reduce a patent term adjustment. However, if such a document were to be filed by an applicant, the one-month time-frame permitted by the PTO to timely submit such a document is clearly inadequate.

Implementation

According to the PTO notice, the proposed changes to the rules would be applicable to any application filed on or after the effective date of the final rule, as well as to any application in which a first Office action on the merits was not mailed before the effective date of the final rule. If the proposed rules are adopted, they should apply only to those applications filed on or after the effective date of the final rule. The cost of retroactively imposing this proposed rule on the more than 600,000 pending patent applications would be enormous. To avoid the draconian consequences of the proposed rule, most applicants would review their pending applications for compliance, a step that would impose millions of dollars of unnecessary costs on them. As suggested above, if this proposed practice is adopted at all, it should be limited to the 1.2% of applications that pose a unique burden to the USPTO.

Conclusion

We believe that the proposed rules are not an appropriate solution to the perceived problems. We have made certain recommendations and we believe that our recommendations will lead to better solutions than those proposed, solutions which will work well both for patent applicants and the USPTO.

Sincerely,



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