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**From:** Miller Patent Services [mailto:jmiller448@nc.rr.com]

**Sent:** Thursday, April 27, 2006 4:40 PM

**To:** AB94Comments

**Subject:** Comments

Attached are my comments

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Comments Regarding Proposed Rulemaking for:  
Docket No.: 2005-P-067  
RIN 0651-AB94  
Changes to Practice for Examination of Claims in Patent Applications

Dear Sirs:

I strongly oppose the proposed changes in practice of Examination of Claims in Patent Applications referenced above for at least the following reasons. I support the AIPLA's position in this matter for the most part. While I applaud the USPTO's goals of quality enhancement and backlog reduction, and appreciate the enormity of task before it, I respectfully submit that the present proposal will do little to improve either and will quite likely have the opposite effect. These rule changes will have their major impact on a small minority of applications while imposing substantial cost and other disadvantages on virtually all applicants.

Under compact prosecution, theoretically the applicant has the opportunity to put a broad range of claims before the examiner, and with luck, the examiner will find an allowable claim or two that can be used as a basis for negotiations that will result in a quick conclusion to prosecution. Unfortunately, in the areas of practice with which I am most involved, theory is far from practice. In many areas, examiners are conditioned to reject, afraid to recommend allowance<sup>1</sup> and will only commit in an interview to doing more searching. This is often the case after four or more office actions (and four or more associated searches). The examination process thus becomes nearly endless. Appeal results in reopening prosecution with another rejection. The practice has even acquired its own name in the patent bar – "rolling 103s."

I see the proposed rules as a further detriment to the ability to prosecute efficiently, since it is inevitable that the application will be examined piecemeal – ten claims at a time. Moreover, I see the presumption of validity weakened if dependent claims are only examined after allowance of an independent claim. In the event an independent claim is invalidated, a dependent claim may not enjoy a full presumption of validity if it derives all of its patentability during examination from dependence on a patentable claim.

If similar rules are ultimately adopted, I suggest that the number of claims that must be designated be increased to at least twenty – that number we pay for at the time of filing. This will permit most applications to at least get a range of representative claim limitations considered.

As a practitioner, I strongly oppose the requirement of filing an examination support document under any circumstances. A similar but less stringent practice (late 1980's I believe) was once required, in that documents submitted in an IDS were required to have a statement of relevance. In this case, many practitioners merely stated that the reference was relevant because "*insert document title here*". Others did lip service by quoting from the field of the invention or some other portion of the document. The requirement was dropped a few years later.

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<sup>1</sup> I have personally been told by several examiners, that claims have to be "really good" before they are willing to put them in front of their supervisor – who in turn has to put them before the second set of eyes. I know of no "really good" standard for patentability in U.S. patent laws!

I think in theory none of the Patent Bar really objects to assisting the USPTO in doing their job. But, the current state of affairs makes us all quite shy when it comes to characterization of the art or the client's invention. We know that if the patent is later litigated, every word of every document will be examined by a team of high priced lawyers looking for any flaw to capitalize upon. When it comes to making statements as to why an invention distinguishes over the art, most of us wish to reserve our words for combating rejections when and if they occur. If the proposed rules are adopted, rest assured that the patent bar (myself included) will promptly be working overtime to figure out how to game the system to avoid the need to submit these documents, or at least render them impotent (and hence not really useful to the examiner). This may include filing more applications with fewer claims, resulting in a further increase in backlog.

I am also opposed to the provisions designed to reduce Markush claims and claims crossing statutory classes. I think the rules are confusing and will result in dramatic increases in administrative work both for the USPTO and the practitioner with unclear benefits in all but the most extreme cases. While it is clear that claims that name hundreds or thousands of species (Mr. Doll gives the example of 10<sup>80th</sup> compounds or combinations) are a problem, perhaps these are cases that require special rules. As an electrical practitioner, I do often use small Markush groups and claims that cross classes, but these claims are quite simple by comparison and should not be penalized by association with such monster chemical and biotech cases, where special rules might be in order.

Another reason that I oppose these rule changes is that the evolution of the law over the last several years has made it as difficult on the patent bar to protect the client's interests as it has made on examination of applications. Consider, for example, client-server Internet based applications. The jurisdictional problems associated with claims to such inventions dictate that a large number of claims must be pursued if the client is to be protected. If the applicant limits claims to a system, sellers of a part of an infringing system may not be captured. If the server or server related methods are the only protected inventions, an infringer merely moves off shore. If the client side application is the only protected invention, the patent holder is faced with charging potential customer with infringement. If software is part of the product, methods and apparatus claims alone may be deficient. To guard against such problems, signal claims, media claims, and various combinations of method, apparatus, elemental and means plus function claims are needed – just to give the client a fighting chance of having his interests protected. Add to this the demise of the doctrine of equivalents; the ever shifting meaning of means plus function versus elemental claim styles; and the ever changing court interpretation of claim language, and the practitioner has little choice but to write lots of claims. We wish it were easier too!

#### Suggestions:

I believe that the backlog and examination quality could be more easily and substantially improved by implementing the following changes:

- Change the current count system for measuring examiner performance: 1) Examiners' work in examining complex cases should be acknowledged and accounted for in the system. 2) Measurement methods should be examined to remove incentives for doing

anything other than activities related to a quality examination (i.e., an examiner should have no motivation to coerce the applicant to file an RCE or continuation in order to get more counts for a single examination). 3) Devise a system that rewards quality examination and brings prosecution to an appropriate conclusion rapidly, rather than rewarding actions that merely accumulate counts.

- Adopt a system of deferred examination. While individuals, startups, small companies and companies in certain industries need quick patent protection, the world's largest patent recipients often do not have similar needs. I have worked for three large corporations in my career, and with only rare exceptions, when filing applications abroad the standing orders are to defer examination as long as possible. Many applications are then ultimately abandoned. I strongly believe that large companies would behave in a similar manner in the U.S. if given the opportunity. They would probably even be willing to pay reasonable maintenance fees to keep the application alive since such fees involve a much smaller cost than actual prosecution.<sup>2</sup> Adopting a deferred examination system is relatively simple and would immediately free up large numbers of applications from examination. (I recognize that a system for intervening rights might have to be adopted.) Note that large companies file large numbers of patents because they know that the patent game is a crap shoot. They know as well as you that only a small percentage of the patents they file for or receive will ever be of financial value. However, which patents will be important is quite unpredictable. Note that the PCT is primarily used these days as a mechanism for buying time to make decisions before making major financial commitments. Even the 30 month PCT delay is often not enough to make a clear decision. Similarly, if applicants can file and defer examination until either 1) more is clear about the prior art, 2) the invention's importance in the marketplace can be better quantified, or 3) an infringer surfaces, many will do it. Deferred examination makes sense. (I personally will not be looking forward to the added administrative burden deferred examination may create, but strongly believe that it is the best way to get quick returns on the backlog problem which will free examiners to do a better job on the cases that are being examined.)
- Modify the current "second set of eyes" quality system. This system in its current form equates quality as not issuing a bad patent. However, there is another side of the equation. The current system does nothing to prevent the examiner from wrongly rejecting a good patent application. In fact, as noted in footnote 1, it in fact often discourages issuance of patents for applications that meet all of the legal requirements. The net result is that there are examiners that are willing to devote unrewarded efforts to perpetual rejection rather than face allowing a good application. Clearly this is non-productive, contributes to the backlog, and takes a one way street approach to quality. USPTO policies should be ever mindful of assuring that an inventor's rights are not suppressed or needlessly withheld by virtue of a one way interpretation of quality.
- Explore the possibility of something akin to a "petty patent" which receives little or no examination and provides lesser protection.

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<sup>2</sup> At the 4/26/2006 Town Hall Meeting in Alexandria, Mr. Doll seemed surprised that companies might be willing to defer prosecution, because most 3 ½ year maintenance fees are paid. It is noted that this fee is quite small compared with the cost of acquiring the patent, and most companies are willing to keep a patent around for a few more years to see if value materializes.

Thank you for the opportunity to comment on these proposed rules.