

From: Bob Vanderhye [ravar@nixonvan.com]  
Sent: Saturday, January 21, 2006 12:03 PM  
To: AB94Comments  
Subject: Comments of Robert Vanderhye on Proposed Rules

The attached document in Word format comprises my comments on the proposed rules changes, solicited by the January 3, 2006 publication in the Federal Register, Volume 71, No. 1. Please advise if you need the comments in a different form.

Comments of Robert A. Vanderhye to Proposed Rules of the Patent & Trademark Office regarding “Changes to Practice for the Examination of Claims in Patent Applications”; RIN 0651-AB94 [Docket No. 2005-P-067]

These comments are made by Robert A. Vanderhye, individually, as a former patent examiner [1968-1973], as a registered patent attorney [Reg. #27,076] for more than 30 years, and as an independent inventor [14 issued or pending patents]. They are not made on behalf of, and do not necessarily reflect the views of, my former law firm, Nixon & Vanderhye P. C.

Summary of Comments:

(1) The justification provided for the changes proposed are specious, and will not result in a “more thorough and reliable examination” but rather, at best, a piecemeal and less reliable examination.

(2) The rule changes proposed do not spell out if changes will be made to the Final Rejection policy, and without clarification of that policy may be grossly unfair.

(3) The proposal to make the changes retroactive will result in enormously increased expenses or prejudice to applicants, disproportionately falling on small entities, without commensurate benefit and should be scrapped or a general procedure set forth.

(4) The PTO does not have authority under the rule making provisions of 35 USC §2(b)(2) to make the proposed changes.

(5) The rule changes should not be implemented. If they are implemented, they need substantial revision and clarification.

Detailed Comments:

(1) The justification provided for the changes proposed are specious, and will not result in a “more thorough and reliable examination” but rather, at best, a piecemeal and less reliable examination.

It is stated, without support or explanation, that the changes proposed will allow the PTO to do a better, more thorough and reliable examination since the number of claims receiving initial examination will be at a level which can be more effectively and efficiently evaluated by an examiner. Based upon my experience as an examiner, prosecuting attorney, and litigator, this is wrong. Rather, in the best case scenario, the result will be a piecemeal, less reliable examination, or increased effort and time by examiners to do the same job they now do. In the worst case scenario there will be total chaos.

Firstly, by reading and searching all of the claims, the examiner gets the best idea of the invention, and what areas should be searched. In fact MPEP 904.02 says that an effective search must take into account everything that is already claimed in all claims, plus anticipate what might be claimed in the future. Something in an unexamined claim might trigger in the examiner’s mind a search area that he/she would not otherwise think of, and one that ultimately turns out to be important for a thorough examination [this happened to me MANY times when I was an examiner because I reviewed and searched all of the claims, following MPEP 904.02, and I’m sure it happens to many present

examiners, especially those working in broad art areas]. In any event, the search of the 10 examined claims will be done with less information – and therefore cannot be as thorough – as one done with all of the claims in mind.

Secondly, regardless of the situation in the preceding paragraph, for a proper examination of an application, the search done must be commensurate to what the applicant regards as his/her invention. The scope of the invention is set forth in all of the claims [35 USC §112], not just in some of them. In a typical application having 3 independent claims and 17 dependent claims, a properly prepared case will use all of the claims to set forth various levels of the invention, and all features which are considered important at the time of filing. Unless an examiner reviews all of these claims, and conducts a search based upon all of these claims, the search will either be incomplete, or piecemeal. Consider the following common scenarios that will occur in many (likely most) typical cases with 3 independent and 17 dependent claims:

-In scenario (a), the examiner finds that the 10 claims examined are unpatentable over art not known to the applicant, but located in the search. However, in three of the 10 dependent claims [“claims 11, 12 & 13”] not examined are features clearly not shown by the art cited. The applicant amends the three independent claims to include the features of dependent claims 11-13, respectively. The examiner will now do one of two things. Issue the case without a further search, meaning that the search is incomplete and the examination has been less thorough and less reliable; or conduct a new search for the features of claims 11-13. If she/he does the latter, that means that the search was piecemeal, much work is duplicated, and a significant amount of the examiner’s time is wasted. Thus, the examination is either ineffective or inefficient.

If the examiner does another search, and cites and applies new references, does he/she make the second action final? If she/he does, that is totally unfair to the applicant (discussed further in (2) below) since the applicant is not adding a feature not in the original claims, but rather just in claims that the examiner has not examined. If he/she does not make the action final, this simply prolongs the examination of the case, causing further expense to the applicant, further work at the PTO, delayed time of when the patent issues (or even becomes available to the public if a non-publication request has been filed), and all the other adverse consequences associated with delay.

-In scenario (b), the examiner applies art that he/she feels rejects the 10 claims examined, however based upon argument alone from the applicant after first action reconsiders and allows the case. Does he/she then search the 10 claims not examined? If she/he does, then there is the same piecemeal waste of time set forth above. If he/she doesn’t, then the examination is clearly not thorough with respect to the non-examined claims.

-Scenario (c) is the same as the last part of (b); but then several years after issuance of the patent, the invention turns out to be commercially significant, although it then turns out that a feature of one of the non-searched claims is the most important. An infringer locates prior art unavailable to the examiner that invalidates the independent claim from which the significant non-searched claim depends. It is a close question as to whether the art shows the subject matter of the non-searched claim. The infringer argues that the presumption of validity should not apply to the non-searched claim because the PTO’s policy was to never search that claim and it was only allowed because the claim from which it depends was erroneously allowed. Further, the infringer argues that the

applicant committed inequitable conduct by not designating the non-searched claim as one of the claims that should be searched. Regardless of the ultimate resolution by the Court, the examination is thus revealed to have been anything but “better”, “more thorough”, “more reliable”, “more effective” or “more efficient” than it was before the new rules.

-In scenario (d), the examiner does not allow any of the 10 examined claims. The applicant is sure he/she is entitled to prevail and appeals to the Board. Does the Board only consider the 10 examined claims, or also the 10 claims that the Examiner did not act on? If the Board does not look at the 10 non-examined claims, what happens to those claims after the Board’s decision? Say the Board reverses the rejections of two independent claims, but affirms the rejection of the third. What happens to the non-examined claims dependent on the rejected independent claim? Do they never get an examination, so that the applicant never gets what he/she paid for? What if the Board affirms all of the rejections? Do the 10 non-examined claims never get examined without the filing of a continuation, so that again the applicant never gets what he/she paid for?

-In any of situations (b)-(d) assume that the applicant pays the additional fee for one extra dependent claim, so that there are 3 independent and 18 dependent claims. In many scenarios, the applicant never gets any benefit for paying that additional fee, because that 18<sup>th</sup> dependent claim is never examined.

Thirdly, if the case is otherwise in condition for allowance and the examiner reviews the remaining claims and suddenly realizes he/she should have searched another area, does she/he ignore that and thereby provide a lower quality product, or then do a further search? If the further search is done, the total search time will be greater than if the correct search was done originally since the Examiner will have to reacquaint himself/herself with the case. In any event the examination will be less effective and/or less efficient.

(2) The rule changes proposed do not spell out if changes will be made to the Final Rejection policy, and without clarification of that policy may be grossly unfair

The consistent policy of the PTO since before I became an examiner (1968) was not to make the second action Final if the claims were amended to include a feature present in the claims originally filed [MPEP706.07(a)]. The new proposed rules do not set forth how or if this policy will be affected. If the policy is interpreted to mean that even if a feature of a non-examined, though originally present, claim is added the second action is made Final, what has the applicant gotten for paying his/her original filing fee, compared to when she/he gets now? MUCH LESS. Thus the proposed new rules will result in much poorer service, much poorer results, and much more expense for an applicant, and will result in the filing of continuation applications.

At the same time, however, the PTO in another proposed rule change is trying to limit the number of continuation applications because it is said that continuations limit the efficiency of the PTO and work against the public’s interest. However, now continuations might be the only way that an applicant can get a real examination of the claims she/he originally submitted since those original claims will now be Finally rejected so that no further changes can be made, even if only small changes would result in allowance.

If the PTO does not clarify that the Final Rejection policy is not changed by the new rules (so that if the limitations of an originally present but non-examined claim are added to an examined claim no Final Rejection can be given) then the new rules will be arbitrary, capricious, and clearly subject to successful challenge in Court.

(3) The proposal to make the changes retroactive will result in enormously increased expenses and prejudice to applicants, disproportionately falling on small entities, without commensurate benefit and therefore should be scrapped or a general procedure set forth

The proposal to make the new rules retroactive [that is applicable to all cases on file when they take effect, regardless of the date the application was filed] will result in great inefficiency and/or prejudice. There are literally hundreds of thousands of applications, many by small entities including *pro se* applicants, that will be pending at the time the new rules are adopted (if they are) that did not have an examined-claims designation. This means that every attorney or *pro se* applicant (assuming any *pro se* applicant knows to do so, which is an erroneous assumption) will have to go through every file, make an evaluation he/she has never before made, and file an additional paper in the PTO. If this review is not done immediately, significant prejudice will result, with only independent claims examined. Immediate review will not be possible for many applicants, especially those in other countries, since the attorneys may have to deal through 2 or more parties before reaching the ultimate party to make the decision regarding which claims will be examined. Regardless of whether immediate review is conducted, the result will be significant additional expense to all applicants.

Because of the expense, prejudice, and other problems associated with the proposed *ex post facto* approach, the PTO should NOT make the new rules retroactive if they are adopted. However, if the PTO is for some reason -- not clear from the Federal Register submission -- insistent upon making the new rules retroactive, then some procedure needs to be set forth to minimize its adverse effects.

The only clear way to minimize the adverse effects of retroactive application of the new rules is to establish a procedure regarding which dependent claims are to be examined in a case that was filed before the rules took effect, so that in every case having at least 10 claims, 10 claims will be examined.

I suggest that the following procedure [in the normal situation where there are three independent and 17 dependent claims]: The first three claims dependent on the first independent claim, and the first two claims dependent on each of the second and third independent claims, will be examined. If any independent claim does not have two claims dependent upon it, then the claims dependent upon the first independent claim that has enough dependent claims to reach 7 dependent claims will have those claims examined. For example if claims 1, 3, and 10 are dependent, with 2 dependent upon 1, 4-9 dependent on 3, and 11-20 dependent on 10, then claims 1, 2, 3-7, and 10-12 will be examined. As another example, if claims 1, 10 and 20 are independent with 2-9 dependent on 1 and 11-19 on 10, then claims 1-6, 10-12 and 20 would be examined.

For cases where more than three independent claims are provided, if possible the first dependent claim on each independent claim will be examined, and if 10 is not yet

reached, then as many claims dependent on the first independent claim as necessary will be examined until 10 is reached.

Of course if an applicant wanted to submit an examined-claim designation that was contrary to this, she/he could – but he/she would still receive as complete an examination as possible even if this was not timely possible, or overlooked.

(4) The PTO does not have authority under the rule making provisions of 35 USC §2(b)(2) to make the proposed changes

Nowhere does the proposed rulemaking set forth a clear statutory basis for the changes suggested. In fact, no statutory basis does exist. The authority to issue regulations under 35 USC §2(b)(2) is only regulations “not inconsistent with law”. The proposed rules are “inconsistent with law”, both statutory law and case law.

In 35 USC §41(d)(1)(A) it states “The Director shall charge a fee for the search of each application for patent...”. Under 35 USC §§111, 112, an application includes a specification, drawing and oath. The specification “shall conclude with one or more claims...claiming the subject matter which the applicant regards as his invention”, and “A claim may be written in independent or...in dependent or multiple dependent form”. Under 35 USC §131 “The Director shall cause an examination to be made of the application and the alleged new invention”. Because the “application” and the “invention” are searched and examined by the PTO, under 35 USC §282 “Each claim of a patent...shall be presumed valid independent of the validity of other claims; dependent...claims shall be presumed valid even though dependent upon an invalid claim”.

Nowhere in this statutory framework does it say that the Director shall be caused to be searched or examined “part of the application” or “less than the whole invention”. Under 35 USC §112, the “invention” includes ALL of the claims.

Saying that the initially non-searched and examined claims will be examined once the case is otherwise in condition for allowance is totally unrealistic. What about the numerous situations where not all of the independent claims are allowed, then when does the examiner ever examine them [see the scenarios set forth in section (2) above]?

It is also no answer to say that an applicant can do the PTO’s work by submitting “an examination support document” which requires the applicant to do the searching, and anticipate the examination. Nowhere in the statute does it say “The Director shall cause the application and invention to be examined, unless the Director thinks that will result in too much work for the examiners, and then the Director can cause the applicant to do all the searching and anticipate the examination”.

Further, an examination support document will be grossly expensive, likely doubling the cost of a typical application, and will make a mockery of the long standing case law (part of the law that the rules cannot be inconsistent with) that an applicant is not required to perform a search [See *In re Wilder*, 736 F.2d 1516 (Fed Cir 1984), and *Hebert v Lisle Corp.*, 99 F.3d 1109, 40 USPQ2d 1611 (Fed Cir. 1996)]. It also will result in many, many more charges of inequitable conduct when a patent gets into court [see *General Electro v Samick*, 19 F.3d 1405 (Fed Cir 1994)], thereby minimizing the worth of patents that are granted.

Further, since fees are, by statute [35 USC §41(d)(1)(A)], set based upon the cost of searching of an application, then if the PTO has a problem with searching and examining applications it should hire more examiners and if that results in higher costs then increase the fees. If it is cases with more than 3 independent or more than 20 total claims [cases with 3 independent and 20 total claims are already designated in the statute as covered by the initial fee and not subject to change by PTO rules] then the PTO should seek a change in the charge for searching each independent claim over 3, and each total claim over 20, while leaving the basic fee the same. In any event, going against the statutory framework is not the answer.

The new rules, if ever adopted, will be successfully challenged in court, and then after successful court challenge the PTO will have to redo all of the cases inappropriately examined in the meantime, leading to the least effective and most inefficient era in the history of the PTO.

(5) The rule changes should not be implemented. If they are implemented, they need substantial revision and clarification.

While the new rules should not be adopted, and will be successfully challenged in Court if adopted, in order to minimize the adverse effects thereof until they are overturned in Court the PTO should revise and/or clarify them in at least the following respects: i) If non-examined claims are rewritten into rejected examined claims, that will not occasion a second action Final Rejection. ii) If all examined claims are rejected before the case goes to the Board of Appeals all claims will be examined; OR once the case comes back from the Board (regardless of whether an affirmance or reversal) all claims will be examined without the need for the applicant to file a continuing application, or pay any additional fee. iii) The rules will not be applied to any application on file when the rules take effect, OR a procedure, such as that set forth in (3) above, will be implemented to insure that in each case pending when the new rules take effect where there are at least 10 claims, 10 claims will be examined without requiring any action by the applicant.

Sincerely,

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From: Bob Vanderhye [ravar@nixonvan.com]  
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Comments of Robert A. Vanderhye to Proposed Rules of the Patent & Trademark Office regarding "Changes to Practice for the Examination of Claims in Patent Applications"; RIN 0651-AB94 [Docket No. 2005-P-067]

Further to my comments submitted yesterday, I have one addition.

Rather than making the new rules (if adopted, which they should not be) retroactive instead a telephone procedure like that in restriction practice should be used. The examiner should call or e-mail the attorney or applicant and ask if he/she has an election, and state that if no phone election is made within 10 days, then claims X (to include 10 claims) will be examined. If there is no response within 10 days, then the 10 claims X are examined.