-----Original Message-----
From: Bennett, Sid
Sent: Thursday, August 31, 2006 12:53 PM
To: AB95 Comments
Cc: APC (Anthony Curtis)
Subject: Submission of comment on proposed rules for IDS

Dear Sir,
The following is a comment submitted on the proposed changes to the IDS rules. Please acknowledge receipt of this email.
The comment is in plain text below and in an attached pdf.
Respectfully submitted,
Sid Bennett

Scientific Advisor
& Patent Agent
<<IDS-comments-final.pdf>>

August 24, 2006

These remarks are directed to the notice regarding "Changes to Information Disclosure Statement and Other Matters", published in the Federal Register, vol. 71 No. 131, July 10, 2006.

The results of the study of IDS submissions performed by the USPTO do not support the proposed changes in the IDS rules.

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The respondents have also performed a similar study, for a sample of the first 25 of every 100 patents issued on July 25, 2006 (week 30), listed in the Official Gazette as US patent numbers 7,081.600 through 7,082,100, and make the following observations:

(a) the distribution of responses appears to be consistent with a Raleigh statistical distribution;

(b) the variance of the distribution is approximately 10;

(c) when all of the issued patents are considered, about 77 percent of the applications have a reference count of 20 or less and about 8% had a reference count of 34 or greater; and

(d) when continuation applications (CIP, continuation and divisional) are excluded from the data set, about 83 percent of the applications had a reference count of 20 or less, and about 2.3% had a reference count of 34 or greater.

The exclusion of continuation applications from the sample is justified for several reasons in a retrospective analysis: (a) the inventions for which such patents are being sought are likely to be complex, and a restriction requirement may issue where the examiner has, prior to searching or considering the references in the IDS, determined that a limitation of the subject matter of the claims being considered is warranted under the USPTO rules; (b) the applicant will have paid more than one filing fee, and expects to pay more than one issue and maintenance fee, thus fully covering any additional cost in examination; and, (c) having multiple related applications increases the likelihood of the examiner(s) citing different sets of references. It is generally accepted by patent practitioners that overcoming a restriction or election of species requirement imposed by an examiner is problematical, and would cost more than accepting the restriction or election requirement and filing a divisional application Currently, the applicant has a perceived duty to ensure that such examiner-cited references are cross-cited in the pending related applications, leading to an increase in number of references cited in each such application. While continuation applications cannot be identified on filing, the above statistics demonstrate retrospectively that the preponderance of the applications having a reference count of greater than 34 are continuation applications of one type or another. Such continuation applications are entirely appropriate.

There is nothing in the statistics presented by the USPTO that supports a limit of 20 references as striking a balance between the undisclosed economic cost to the USPTO, or to the subjective quality of examination, and the enormous economic cost to the applicant. This economic cost has been implicitly acknowledged by the USPTO in its burden statement to the OMB, as discussed below. There is at least as much justification for setting a limit on the number of references at, say, 34, based on the study presented in this response, as the proposed limit, and at what must surely be a lower overall cost. As such, it is respectfully submitted that the proposed limit on the number of references is arbitrary and capricious, and should not be promulgated for at least this reason.

The Cost to Applicants is extremely high without a corresponding reduction in expense to the USPTO.

According to the USPTO submission to the OMB (Federal Register: July 12, 2006 (Volume 71, Number 133)) for case 0651-0031, the USPTO has provided an estimate of the impact of these changes under the Paperwork

Reduction Act of 3,527,991 hours, affecting 2,508,239 respondents. However, in the present notice of proposed rulemaking, the USPTO stated that the annual hourly impact would be 2,807,641 hours and that 2,317, 539 respondents would be affected. In the estimate submitted to the OMB, the USPTO specifically discussed the number of hours estimated for each of the information disclosure statements: "2 hours to complete the information disclosure statements (IDS) that do not require any additional disclosure requirement, 4 hours to complete the IDS submitted during the first time period that require the explanation, 5 hours to complete the IDS submitted during the second time period that require the explanation and non-cumulative description, 6 hours to complete the IDS submitted during the third time period that require the first patentability justification, and 7 hours to complete the IDS submitted during the third or fourth time period that require the second patentability justification." The USPTO acknowledged that it does not expect that IDSs requiring additional disclosure statements will be filed by eIDS, so the paperwork burden on the USPTO is likely to be increased.

As one cannot be certain that the greater annual hourly burden estimate in the USPTO submission to the OMB relates solely to the new IDS requirements, nor can one specifically determine that either of the hourly burden estimates relates to the increase in burden associated with the change, the public is not reasonably able to understand the economic impact of the proposed rules.

Taking, however, a simplistic view of the matter, and ascribing 2,807,539 hours per year to impact of the change, involving a patent practitioner at a typical fee of $250/hour, this means that the new rules will cost patent applicants about $700 million a year. In exchange, the USPTO proposes to eliminate fees for later submission of information with an IDS. Presently, the fee is $180, and one would expect that only a small minority of applicants are now subject to this fee, as most of the subsequent IDS submissions are made to disclose searches or office actions by foreign patent offices or in related applications. This is not an equitable *quid pro quo*.

There are other means of addressing the problem perceived by the USPTO that do not appear to have considered.

Charge a fee for excess references, just as is now done for claims

The perceived problem identified by the USPTO might better be addressed by charging a fee for each reference over, for example, 34 references, and affording the examiner additional time to consider the references. The additional cost could fully recovered by the revenue from the fees. The additional time to examine the applications in the range between 20 as proposed by the USPTO and 34, would affect a small number of applications, while substantially reducing the total cost. Balanced against this would be the additional time needed for the examiner to give specific consideration to the

characterization of a reference by the applicant, as well as a review of the reference as is presently done.

Moreover, the number of US patent applications cited by an applicant should be no significant burden to the examiner as these references may be reviewed using a search process similar to that which the examiner now uses to search the USPTO data bases in examining an application. For patents cited by an international search authority, it is common for the search or examination authority to identify specific aspects of a reference and indicate the relevance thereof to the claimed invention. This information should be sufficient in the case of such references, as it is currently accepted in lieu of a translation or characterization of such references if the references are not in the English language.

However, no consideration in the proposed rules has been given to references cited by an examiner in a related application or to references cited by international search authorities. These references may be considered spurious by the applicant, yet the proposed rules require that the applicant incur the expense, and potential compromise of patent right, of specifically characterizing such references. Such references ought to be excluded from any rule requiring characterization of references.

Applicants ought to be encouraged to submit non-patent literature as references, as this increases the body of information provided by the applicant, which may assist the public in practicing the invention once the patent right has expired. This literature is often of limited distribution, such as symposium papers, and will be even less available at a later date.

Make the examination of disclosed references discretionary

The USPTO appears to suggest that the examination of the references by the examiner is an integral part of the patent process, and it once may have been--but, no longer. Prior to the amendment of 35USC §312 (a) by Pub. L. 107-273 on Nov 2, 2002, the inclusion of a reference in an IDS and its acknowledgement by the examiner served to "inoculate" the issued patent from being used in requesting a reexamination of an issued patent. However, 35USC §312 (a) now reads: "The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by the Office or considered by the Office." Consequently, the position of the USPTO that an IDS not in conformance with the new proposed rules would not be examined does not seem to deny the applicant a protection that now exists. As such, mere disclosure of the information under 37 CFR §1.56 should sufficient to fulfill the duty of candor; it should be the prerogative of the USPTO as to whether the available information is considered by the examiner.

Many patent litigation actions contain assertions of inequitable conduct in front of the patent office during prosecution of the patent. Many of such assertions involve the citation of, or lack of citation of, "prior art" in an IDS. More specifically, the claim is often that the applicant or agent knew of, and intentionally and fraudulently failed to disclose, such information to the USPTO. Consequently, it is merely a routine matter of professional duty to request all of such information from the applicant and, unless it is clearly duplicative or manifestly irrelevant, cite the provided information in an IDS.

Limiting the number of items that can be disclosed by an applicant without incurring swinging costs is directly contrary to the public purpose of an IDS.

Eliminate the disclosure requirement entirely, except for 35 U.S.C. §102 matters

The USPTO and others have proposed further aligning the US patent examination process and rules with the remainder of the world. The long history of the development of US patent law-legislative, administrative and judicial- has given applicants a firm understanding of the rights and responsibilities associated with the process, and nothing in this response should be taken to suggest that the present respondents support such proposed harmonization. However, to the extent that public policy favors such changes, the respondents respectfully note that most other patent jurisdictions do not require the disclosure of information comparable to that required by 37 CFR §1.56, and the judicial interpretations thereof. Consequently, it would be more consistent with the acknowledgement that the patent examiner is the most skilled and knowledgeable person in the field of art of the application, to restrict the requirement for disclosure of information to that which is in the non-patent literature, and which may have a material bearing on patentability under 35 U.S.C §102. Therefore, it is proposed that the wording of 37 CFR §1.56 be amended accordingly.

Summary

The proposed USPTO that limits an IDS to 20 references and each reference to 25 pages or less without requiring extensive characterization of the reference when submitted to the USPTO is arbitrary and capricious. Little to no value may be added to the quality of examination and a large amount of economic and other costs may be incurred by requiring submission of the material. The USPTO has not shown how this rule will benefit the public interest. Nor is such a increase in the information disclosure requirements consistent with harmonization of the patent system with jurisdictions outside of the U.S. As such, it is respectfully submitted that the proposed changes should not be promulgated. The respondents have suggested several alternatives which the USPTO may wish to consider.

A coda:

One of the respondents is an inventor, and a retired manager of intellectual property in industry. A brief study was made of the 14 issued patents where the respondent was an inventor or co-inventor, but was not responsible for the prosecution of the application. The patents span the time interval between November 1976 and December 2004. The number of references cited in each patent application ranged from 3 to 146. The number of references tended to both increase with time and with the level of the respondent's experience in the field of the patent. No doubt this increase was also due, in part, to the ease with which the patent and technical literature can now be searched. To the best of the respondent's knowledge and belief, each of the references were read, in whole or in part, prior to inclusion in the information disclosure and were considered relevant to the subject matter of the subject patent under the then existing disclosure rules, as explained to the respondent by the patent practitioner at the time.

This submission is made by the undersigned individuals personally, and does not purport to represent the views of any client or employer.

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Reg. No. 53, 981
Tony Curtis
Reg. No. 46,193

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