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From: mark.bocchetti@kodak.com

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Subject: ids comments

Attached (as a pdf file) are the comments of Eastman Kodak Company.

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(See attached file: ids_comm.pdf)



Mail Stop Comments - Patents
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***Eastman Kodak Company's Comments Regarding the Proposed Changes to
Information Disclosure Statements and Requirements and Other Related Matters***

The Proposed Changes are set forth in the Federal Register, Volume 71, No. 131, page 38808, dated Monday, July 10, 2006.

This document has been structured to provide a series of general comments regarding the proposed changes to the information disclosure statement ("IDS") rules, followed by additional specific comments regarding the proposed changes. This document then concludes with proposed, alternative solutions.

Regarding the general comments, it is the position of Eastman Kodak Company ("EKC") that the proposed changes, as compared to current procedures, would reduce the quality and integrity of the patent application examination process, would increase the number of unpatentable applications filed, would present ethical issues for attorneys by requiring them to take positions potentially adverse to their clients' interests, and would increase the cost to access the patent system. Each of these general comments will now be discussed in detail.

I. Reduction in the Quality and Integrity Of Examination

**A. Shift of Examination Burden to Self-Interested,
Potentially Unqualified Parties**

1. Duty to Disclose Would Now Become a Duty To Examine

Applicants are required, by the duty of disclosure, to cite all non-cumulative, material references of which they are aware to the U.S. Patent and Trademark Office

(“USPTO”). Under the proposed rules, in certain circumstances, such as the citation of English language documents over 25 pages, the citation of foreign language documents, and the citation of more than 20 documents prior to the issuance of a first Office Action on the merits, Applicants would be required to provide an “explanation” correlating at least a portion of the references cited to their claims and/or specification. The association of particular portions of references to claim language essentially requires Applicants to perform a 35 U.S.C. §102 analysis of their claims in view of the cited references.

References that come to an Applicant’s attention after the mailing date of a Notice of Allowance additionally require that a “patentability justification” be provided in order to obtain consideration of the references. The patentability justification requires Applicants to provide reasons why the independent claims are patentable over all documents cited by Applicant and the Examiner, or an amendment and reasons supporting the patentability of the amended claims over all art of record. Essentially, the patentability justifications require Applicant to do full 35 U.S.C. §102 and 35 U.S.C. §103 analyses of their claims in view of the references that Applicant has a duty to disclose, as well as those cited by the Examiner.

Accordingly, in several circumstances under the proposed rules, Applicants’ duty to disclose art of which they are aware to the Patent Office includes a duty for the Applicant to examine their claims in view of such art.

2. Applicants, as Their Own Advocates, Should Not Have to Examine Their Own Applications

Under the current structure of the patent examination procedure in the USPTO, Applicants and Examiners have distinct roles: Applicants advocate the patentability of their application, and the Examiners are “gate-keepers” that ensure that only patentable applications issue as patents. To analogize, under the current system, an Applicant acts as a Plaintiff attempting to prove the patentability of their case, and the Examiner acts as a Defendant trying to expose weaknesses in the Plaintiff’s case of patentability. The proposed rules changes, however, blur these roles and require the Applicant to perform the Examiner’s role of ensuring that the Applicant’s own case of patentability is valid. It is EKC’s position that the current dichotomy between an Applicant’s role and an Examiner’s role is critical to the integrity of the examination process because it facilitates

unbiased and independent examinations. EKC believes that an Applicant should continue to act solely as an advocate for patentability of Applicant's invention while fully adhering to the duties of disclosure and candor, and not be required, in any way, to examine his or her own application.

By requiring submission of an analysis of prior art prior to the issuance of a first Office Action, the proposed changes could result in prosecution history estoppel before the Examiner has even reviewed the references. This is completely alien to patent prosecution practice in the U.S. Further, such a requirement assumes that the applicant's attorney has not done his or her job in drafting claims that distinguish over the art that he or she is aware of. While everyone occasionally makes an honest mistake, if the PTO believes that a few attorneys are routinely drafting claims that read on the prior art cited on behalf of the applicant, then perhaps the PTO should consider other measures to address that issue with those particular attorneys. All applicants should not be subjected to the danger of pre-examination prosecution history estoppel to solve that problem. For effective examination, it is incumbent upon the Examiner to review the art cited on behalf of the applicant. If the Examiner can make a proper rejection based solely that art, then the attorney is not representing his or her client in a prudent or effective manner. The proposed changes would radically alter the practice of patent law, and inflict obligations that are far too expensive and burdensome to be considered a reasonable solution to improper claim drafting by a relatively few number of attorneys.

EKC believes that current U.S. patent practice is well founded and should be maintained. Consequently, EKC does not believe it to be prudent to extend Applicant's duty of disclosure to a duty to examine, as proposed.

3. Applicants Are Not Qualified Examiners

The proposed rules changes appear to impute a level of knowledge of patent law and application examination procedure to an Applicant that may not actually be possessed by such Applicant. For example, small entities and independent inventors may know very little about patent law and U.S. patent application examination procedure, and may in fact, never have read a patent. Asking such an Applicant to provide explanations, non-cumulative descriptions, and patentability justifications may result in the citation of

improper portions of cited references, improper characterizations of cited references, improper correlations of such cited portions to claims, and inaccurate §102 and §103 analyses. Further, in light of current prosecution history estoppel and inequitable conduct case law, the proposed rules expose an Applicant to a disproportionate loss in value to their intellectual property. This is particularly pronounced with regard to small entities, and places an undue burden on such small entities. For at least this reason, it is EKC's position that the Patent Office is best suited to perform the examination of applications for all Applicants.

4. Disincentive For Examiners To Do A Thorough, Independent Examination

In instances where Applicant is required to provide explanations and/or patentability justifications, an Examiner has a reduced incentive to perform a thorough, independent examination. It would be tempting, without appropriate safeguards, for Examiners to "cut-and-paste" content Applicant has provided in an explanation and/or a patentability justification into a subsequent Office Action used to reject the Applicant's claims. In other words, Examiners would be exposed to the temptation of accepting such content without further investigation. EKC does not see any appropriate safeguards in the current proposed rules to prevent an Examiner from entirely or significantly relying upon the explanations and/or patentability justifications provided to them by a justifiably self-advocating Applicant.

B. Decreased Incentive For Applicant To Perform Patentability Searches

EKC believes that a net effect of the proposed rules changes would be to cause a chilling effect on Applicant patentability search practices. Because an Applicant can never be certain what or how many references will be discovered in a patentability search, conducting one may turn up, for example, more than 20 material, non-cumulative references. Alternatively, only ten references may be found, but several could have more than 25 pages. In these instances, the Applicant would be required to provide explanations for at least some of the references found in the patentability search. Because of the negative effects of prosecution history estoppel and the exposure to inequitable conduct claims that might arise from such explanations, EKC believes that

Applicants would, therefore, substantially avoid performing patentability searches altogether. Consequently, material art that would normally have been uncovered in a patentability search and provided to an Examiner would, under the proposed rules, remain undiscovered or have to be located by the Examiner as part of his or her own search. Accordingly, Examiners would be less likely to have the best-available art in front of them when examining applications, and Examiners would substantially shoulder the entire burden of performing prior art searches.

II. Increased Number Of Unpatentable Applications Filed

EKC believes a net effect of the proposed rules changes will be that Applicants will conduct fewer patentability searches prior to filing applications in order to minimize the excessive burdens caused by such proposed rules changes. A natural consequence of an Applicant filing applications without performing patentability searches is that more unpatentable applications would be filed. Good prior art discovered by a patentability search often leads an Applicant to decide against filing the relevant application. Under the proposed rules, however, the application would be filed. Accordingly, Examiners would be burdened with unpatentable applications that would not have been filed under the current rules.

III. Increases Cost To Access The Patent System

A. Increased Cost To Applicant/Owner To Prosecute Applications

The proposed rules changes would result in a substantial increase in the amount of time and resources, especially in attorney's fees, that an Applicant would need to expend when preparing and prosecuting patent applications. For example, the explanations would require Applicant to cite at least a portion of each reference and correlate the portion to the claims and/or specification. Because of the possibility of later litigation, and the extensive costs involved in defending against charges of inequitable conduct, and due to the severe consequences, namely, patent invalidity, of successful inequitable conduct charges, an Applicant may have to cite all relevant portions in a reference, even though the proposed rules allow only a single portion of a cited reference to be identified.

Having to identify all or many relevant portions of cited references and correlate them to the claims and/or specification would require a significant amount of time and diligence.

A likely effect of requiring these explanations is that Applicant, in order to avoid providing an Examiner with the temptation of “cutting-and-pasting” the content provided in explanations into a subsequent Office Action, may provide arguments distinguishing the cited reference portions from their claims in the explanations. Such arguments would further increase the costs of prosecution.

The additionally required non-cumulative description would be even more burdensome to Applicant than the explanation. The non-cumulative description would require an Applicant to review not only the reference being cited, but also every other piece of art of record in detail to identify exactly what is non-cumulative in the document being cited. According to the proposed rules, if 20 documents are of record, and a 21st document needs to be cited after receipt of the first Office Action on the merits, Applicant would have to prepare an analysis comparing the 21st document to each of the previously cited 20 documents, in addition to any documents already cited by the Examiner. Accordingly, a substantial number of distinguishing analyses would have to be performed by Applicant. EKC believes such a requirement would involve a substantial amount of attorney time and, consequently, cost to Applicant.

Because the penalties for failure to cite a document and failure to properly characterize documents cited in an application can result in a substantial narrowing or even invalidity of a patent, it is questionable whether the tasks of preparing an explanation or a non-cumulative description can or should be delegated to personnel other than attorneys, thereby further increasing costs.

The patentability justifications also require a substantial amount of attorney time to prepare. Because the consequences associated with characterizing prior art in view of inequitable conduct and prosecution history estoppel issues are so severe under current case law, attorneys must carefully and deliberately choose their words and thoroughly review the art and claims involved in the justification. Consequently, costs to comply with the proposed rules are further increased as compared to the current rules.

In addition, the proposed rules require that previously provided explanations be updated each time the claims are amended during prosecution. The proposed rules,

therefore, would require Applicant to re-review previously cited documents and update their explanations, as necessary, in light of amended claims. EKC believes such a requirement would substantially increase the amount of time it would take an Applicant to prepare responses to Office Actions, especially in view of the severe consequences of prosecution history estoppel and inequitable conduct associated with performing these tasks without diligence.

In summary, due to the substantial increase in attorney's fees involved in the above-discussed tasks, access to the patent system would become significantly more expensive for all Applicants. Although EKC is not a small entity, it recognizes that small entities or independent inventors, who may not be able to afford attorney's fees to conduct these tasks, may be excluded from the patent system altogether, or at least excluded in a disproportionate manner.

B. Increased Cost To Owners To Litigate Their Patents

EKC believes that requiring explanations, non-cumulative descriptions, and patentability justifications would cause a substantial increase in litigated inequitable conduct and prosecution history estoppel issues. Although the USPTO is proposing a "good faith" safe harbor for compliance with the duty of disclosure rules, the safe harbor does not pertain to prosecution history estoppel and is not believed to have the legal authority to prevent, in any meaningful way, inequitable conduct issues from being raised in litigation. In other words, although the safe harbor may limit some successful claims of inequitable conduct, EKC does not believe it would prevent a defendant from raising the issue in litigation. Because the proposed rules provide many additional instances where inequitable conduct could become an issue, EKC believes defendants would have a colorable argument to raise the inequitable conduct defense in nearly all cases. Accordingly, EKC believes that the proposed rules changes would make litigation significantly more expensive, lengthy, and burdensome.

IV. Additional Specific Comments

- A. Proposed Section 1.97(h) appears to be inconsistent with other parts of the proposed rules changes that indicate that background art is not to be

included in the 20-document limit set forth for the number of references cited prior to the first Office Action on the merits. See proposed rules changes to section 1.98(c).

- B. Section 1.312 pertaining to amendments after allowance does not permit amendments based on a late-filed IDS. However, the proposed changes to rules 1.98(a)(3)(C)(3i) and (a)(3)(C)(vi) require that an amendment be filed, if necessary, to overcome prior art that needs to be cited via a patentability justification.
- C. Section 1.291(b)(3) provides a method of public protest against a pending application, including placing the onus on the third party to file any information relevant to patentability with the USPTO. However, under 1.291(b)(4), the Applicant is not relieved of the duty of disclosure. Therefore, because the third party is not obligated to file the information, it appears that an Applicant would still be required to file the information provided by the third party to avoid the possibility that the third party does not file the information with the Patent Office. If this is the case, an effective strategy for third parties to waste an Applicant's time and money would be to provide an enormous amount of documents to the Applicant and not to the USPTO. The Applicant, now being aware of such art, would be under a duty of disclosure under rule 1.56 to disclose the information and, therefore, would be subject to the obligations associated with providing explanations, non-cumulative descriptions, and patentability justifications. The Applicant would be obligated to expend an enormous amount of time and money on attorney's fees to comply with the proposed rules requirements. This situation is not commensurate with either the third-party submission rule §1.99, or the rule of third-party reexamination, in both of which the third-party alone is under an obligation to cite the references to the USPTO.
- D. The rules changes for section 1.98(a)(3)(xi) would require the submission of a translation of all non-English documents which are "within the possession, custody, or control of, or is readily available to, the

Applicant.” It is not clear to EKC whether the phrase “is readily available to” requires an Applicant to provide automatically-generated machine translations, such as those provided by the Japanese Patent Office website, even when Applicant has not relied on them. It appears the proposed rules change may be suggesting an obligation to affirmatively obtain automatically-generated machine translations even when Applicant has not relied on them. Applicant should not be forced to submit documents not relied on.

- E. The comments to the proposed rules state “approximately eighty-five percent of [a] sample [of applications] included twenty or fewer submitted documents, while eighty-one percent of applications included fifteen or fewer submitted documents It should be noted that a threshold of twenty documents [before ‘explanations’ are required] for IDSs submitted prior to a first Office action on the merits would not require a change in practice for most applications.” Federal Register, Vol. 71, No. 131, pg. 38810, left column (Jul. 10, 2006). However, the Office does not provide any information regarding what percentage of references cited contain more than 25 pages, for which explanations also would be required. If a significant percentage of references do contain more than 25 pages, then the proposed rules changes would require a change in practice for a significant number of applications.
- F. The proposed rules changes would result in a substantial increase in the amount of work to Applicant, not only when preparing IDSs, but also when amending claims in response to an Office Action. The proposed rules do not appear to acknowledge the effects of such increased work to Applicant. For example, time periods for responding to Office Actions should be increased, and extension of time fees should be reduced to accommodate the increase in time it would take to respond under the proposed rules. Further, the Patent Term Adjustment (PTA) rules should be modified to extend Applicant’s patent term to account for the increased amount of time necessary to prosecute applications.

V. Proposed Alternative Solutions

In view of the considerations EKC has set forth above, alternative solutions are proposed that attempt to address both the workload concerns of the Patent Office and Applicants' concerns with cost and maintaining examination responsibility solely with the Patent Office. Aspects of the proposed solutions, which could be taken separately or in combination, include: (1) charging a per-additional-document fee commensurate with the cost of examination for submission of documents beyond a predetermined number of documents; and (2) charging a late fee for submission of documents after a first Office Action.

As an example, up to a certain "x" number of references could be automatically considered by an Examiner when filed prior to the first Office Action as part of the filing fee. If more than "x" references are submitted, the Applicant may pay a per-additional-document fee commensurate with the amount of work required by the Patent Office to consider each additional reference.

Because of the per-additional-document fee, an Applicant would have an incentive not to blindly cite large numbers of documents to the Patent Office. In cases where a large number of material, non-cumulative references are present, however, this proposed solution allows the Applicant to have all references considered, albeit with the payment of a potentially substantial fee. A substantial fee in these circumstances is appropriate because an Applicant should think about actually filing an application where a large number of material, non-cumulative references are present. An Applicant should only file applications such as these when the return-on-investment is substantial enough to offset the increased prosecution fees. In other words, an Applicant would be likely to proceed in these circumstances only when he or she believes the application to be potentially valuable.

After the issuance of a first Office Action on the merits, but before a Notice of Allowance/Allowability, an Applicant could cite up to "y" additional references to be considered, perhaps with payment of a late fee. If Applicant would like to have more than "y" references considered after issuance of the first Office Action on the merits and before issuance of a Notice of Allowance/Allowability, Applicant could be charged a

second per-additional-document fee. In addition, any late fee could be a sliding scale dependent upon the “lateness” of the submission. Such a sliding-scale late fee would encourage early disclosure when possible.

The above solutions can be adjusted in whole or in part by the USPTO with the goal of reducing Examiner workload without shifting the examination burden to Applicants and creating the danger of pre-examination prosecution history estoppel. Charging a per-additional-document fee provides an incentive to Applicants not to cite large numbers of references. Charging a substantial or a sliding scale late fee discourages late submissions of references. If late submission of references is a substantial concern to the USPTO, it should consider terminating the duty of disclosure at the time of filing an application.

In regard to third party submissions, EKC believes that documents cited by third parties should automatically be considered by the Examiner without any fees to Applicant, regardless of the stage of prosecution. In addition, a per-document fee charged to third parties when citing documents is recommended. Third parties should not have an incentive to harass an Applicant or disrupt the examination process by providing a large number of references late in prosecution. Applicant should not be penalized or disadvantaged when third parties provide such documents.

VI. Conclusion

In conclusion, the proposed rules changes would reduce the quality and integrity of the examination process, would increase the number of unpatentable applications filed, would shift the burden of performing patentability examinations to Applicants, would introduce the danger of pre-examination prosecution history estoppel, increase the cost to access the patent system, and generate new issues to address in patent litigation making that process even more expensive than it already is. As alternative solutions, EKC proposes allowing the Applicant to cite any number of documents at any time with payment of a per-document fee for consideration of additional documents beyond a set number, and maintaining late fees for citing documents after a first Office Action. All of these proposals provide Applicant with an incentive to have only the most relevant art considered, while at the same time not requiring the Applicant to make statements against

interest. Further, the proposals would reduce the number of documents cited to the USPTO and the number of unpatentable applications filed, thereby reducing Examiner workload.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark G. Bocchetti". The signature is written in a cursive, flowing style.

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