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From: Salehi, Dan [mailto:DSalehi@duanemorris.com]

Sent: Tuesday, May 02, 2006 4:19 PM

To: AB93Comments

Subject: BADC's Comments regarding Proposed Continuation Rules

Please see attached letter, providing comments by the Bar Association of the District of Columbia, PTC section, concerning the Changes to Practice for Continuing Examination Practice.

Sincerely,

Dan Salehi, Esq.

Patent Committee Chair

The Bar Association of the District of Columbia, PTC Section

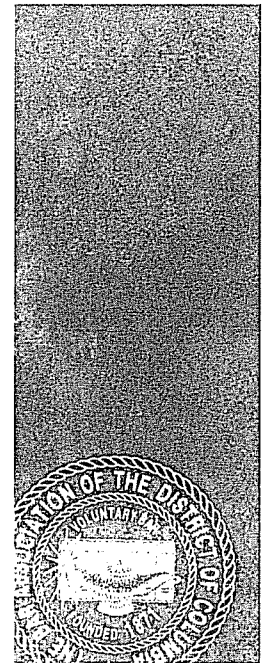
**DEPARTMENT OF COMMERCE
Patent and Trademark Office**

Statement of the Bar Association of the
District of Columbia PTC Section concerning the proposed Modification to the Code
of Federal Regulations,
*Changes to Continuing Applications, Requests for Continued Examination Practice,
and Applications Containing Patentably Indistinct Claims*
Rulemaking Notice of January 3, 2006, 71 Fed. Reg. 48

The Bar Association of the District of Columbia (“Bar Association”) appreciates the opportunity to submit the following statement regarding the United States Patent and Trademark Office’s (“PTO”) Notice of Proposed Rulemaking, appearing at 71 Fed. Reg. 48 (2006) (to be codified at 37 C.F.R. 1.78 *et seq.*), entitled: “*Changes to Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims* (herein, “*Proposed Continuation Rules*”). The *Proposed Continuation Rules* includes three major areas: Part 1, Section 78(d) – Claiming Benefit of Earlier Filing Date; Part 1, Section 78(f) – Applications and Patents Naming At Least One Inventor in Common; and Part 1, Section 114 – Request for Continued Examination. The Comments below are directed to these three Sections.¹

The Bar Association is one of the senior intellectual property bar associations in the United States. It is uniquely situated in the Nation’s capital, and has a broad cross-section of members who represent a wide range of technical and practice areas

¹ Simultaneously with the issuance of the *Proposed Continuation Rules*, the PTO issued a second Notice of Proposed Rulemaking, entitled “*Changes to Practice for the Examination of Claims in Patent Applications*” (herein, “*Proposed Examination Rules*”), 71 Fed. Reg. 61 (2006) (to be codified at 37 C.F.R. § 1.76 *et seq.*). Because of the complexity of the proposals, the Bar Association submits a separate statement addressing the *Proposed Examination Rules*.



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PTC Section of BADC Statement
Regarding Proposed Examination Rules

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in industry, government, and private practice. Some of its members specialize primarily in patent procurement, some entirely in litigation and counseling. Others have a mixed practice, combining patent procurement with litigation, while still others may participate in patent procurement issues by advising others on strategy. Many of our members have served the PTO in a professional capacity and are intimately familiar with this agency's mission and practice. The Bar Association is concerned with the efficiency and practicability of the Proposed Examination Rules as well as the effect it will have on the public's right to obtain, protect, and enforce patent rights.

The interest of the Bar Association is entirely *pro bono*, and this statement is aimed at advancing the patent profession. The views expressed herein represent only those of the Patent, Trademark & Copyright Section of the Bar Association of the District of Columbia, and do not represent those of the Bar Association of the District of Columbia or its Board of Governors.

As a preliminary matter, the Bar Association applauds the PTO's efforts to adopt rules aimed at improving examination by shortening the pendency period at the PTO. The Bar Association appreciates that the *Proposed Continuation Rules* are the result of lengthy analysis and thoughtful consideration by the PTO's officers and represent an effort to strike a compromise between the intellectual property rights of inventors and the PTO's need to reduce its examination backlog. The Bar Association also appreciates PTO's efforts to explain the *Proposed Continuation Rules* and to solicit the Public's feedback including conducting Town Hall meetings and making PTO representatives available for informal sessions. Consistent with this spirit of cooperation, the Bar Association's statements are intended to assist the PTO in further defining proposed Rules to suit inventors, patent owners and the PTO.

The PTO explains that of the 317,000 non-provisional applications filed in 2005, nearly 63,000 were continuation applications.² Based on such statistics, the

² See 71 Fed. Reg. 48, 50 ("Of the roughly 63,000 continuing applications filed in fiscal year 2005, about 44,500 were designated as continuation/continuation-in-part (CIP) applications, and about 18,500 were designated as divisional applications.").

PTO concludes that the unrestricted continuation practice fails to ensure an efficient examination process and strains its resources to examine multiple subsequent applications. Thus, an objective of the *Proposed Continuation Rules* is identifying the definitive and final claims of an application at an early stage and focusing prosecution accordingly. Another objective is limiting the proliferation of continuing applications that stem from the same parent application.

The *Proposed Continuation Rules* will allow applicants to file one Request for Continued Examination (herein, "RCE") or one Continuation Application as of right. Under the *Proposed Continuation Rules*, an applicant's ability to file unrestricted divisional applications will end.³ Applications containing a common disclosure, a common inventor, or a common assignee will be presumed to contain patentably indistinct claims and applicants will be allowed to rebut this presumption by filing a Petition that meets the satisfaction of the director. Finally, the *Proposed Continuation Rules* will limit claims in a Continuation-In-Part (herein, "CIP") application solely to the subject matter added in the CIP application.

The Bar Association agrees that requiring applicants to identify their invention early in prosecution and limiting the number of subsequent continuation applications would benefit the patent practice and the public. Indeed, the existing continuation practice provides certain flexibility and latitude for patentees allowing them to recapture their inventions in continuation applications even after the first patent has issued and is being litigated. Such flexibility results in uncertainty and needless litigation, the brunt of which is born by unsuspecting defendants and the public.

Nonetheless, the *Proposed Continuation Rules* contain many ambiguities and restrictions which will have a detrimental affect on all applicants. For example, the

³ The *Proposed Continuation Rules* make clear that claims subject to applicants' voluntary restrictions cannot be pursued in a divisional application. Any divisional application must be solely concerned with claims that were subject of a restriction requirement. Therefore, any claim that was voluntarily restricted can only be prosecuted in a continuation application.

Proposed Continuation Rules limit the applicants to filing only one RCE as a matter of right. Any subsequent RCE must be submitted with Petition making a showing “to the satisfaction of the director” that the amendment, argument or evidence could not have been submitted during the prosecution of the prior-filed application. See 71 Fed. Reg. 48, 53-54. This measure fails to address intangibles common to the prosecution practice. In addition, an RCE is not an instrument for obtaining multiple patents with claims of overlapping scope; rather, the RCE is an extension of the prosecution process after a final office action has issued or after new prior art has been uncovered, and is filed to advance the prosecution of an application at that stage.⁴

Another concern is the limitation on filing Continuation applications.⁵ While the Bar Association agrees with the PTO’s reasoning, it is not always possible to identify and address all claim permutations in a parent application and in a single continuation. Even more unpredictable is the prior art that is uncovered during foreign or domestic examination. For example, an applicant may receive several foreign offices’ search reports, each of which may necessitate filing a continuation application with revised claims. Another common circumstance is the applicant’s lack of initial funding which necessitate filing of more than one continuation application to capture different claims as funding becomes available.

Finally, when combined with the *Proposed Examination Rules* which seek to limit the applicants’ total number of independent claims to ten, limiting applicants to a single application and one continuation can be particularly onerous for technologies

⁴ The Bar Association’s members also advise that the Petition standard requiring “the satisfaction of the director” is subjective and ambiguous. A final rule should clarify the black-letter requirements of any such Petition to avoid uncertainty and future litigation.

⁵ The Bar Association is also concerned that at least the portions of the *Proposed Continuation Rule* limiting applicants’ unrestricted right to file multiple continuation applications may have a substantive effect on the inventors’ statutory rights. If promulgated, the PTO may face statutory and constitutional challenges that would result in years of litigation and uncertainty. The Bar Association is concerned about the uncertainty that would cloud the practice in the interim.

in certain art groups.⁶ This combination would effectively require an applicant to definitively summarize all aspects of the invention in one application. Such restrictive approach to prosecution would not foster innovation and will ultimately compromise the public's right to benefit from the progress of science and useful arts.

In view of the foregoing concerns, the Bar Association suggests modifying the *Proposed Continuation Rules* as follows: (i) allow more than one continuation application to be filed, but only within a prescribed timeframe, (ii) allow applicants to file an unlimited number of RCEs with the proviso that the filing of each RCE is done in good faith, in order to advance prosecution and without deceptive intent; and (iii) allow applicants to file multiple related applications with the proviso that each application should identify, on its face, all other related applications and briefly explain the subject claimed in each related application.

By providing a reasonable and limited timeframe for filing continuation applications, the PTO can address its concerns while enabling applications to address prosecution circumstances beyond their control. By way of example, the PTO can limit the filing of continuation applications to 30 months from the parent application's earliest priority date. The time frame should be calculated to provide applicants with a reasonable time to revise the claims, introduce additional claims, or address any newly uncovered reference.⁷ The timeframe also provides the PTO and the public a date-certain beyond which additional continuation filing will not be permitted.

Allowing applicants to file an unlimited number of RCEs will protect the applicants or the practitioners from intangibles and the vagaries of prosecution.

⁶ The *Proposed Examination Rules* limit the number of applications that have a common inventor, a common assignee, and an overlapping disclosure by imposing a rebuttable presumption that the applications contain at least one claim that is patentably indistinct from the other applications. See 71 Fed. Reg. 54-55. The rebuttal standards are such that the proposed measure will have a chilling effect on filing several applications, each directed to a different aspect of the invention.

⁷ A reasonable timeframe should consider the start of substantive examination which may vary from one technology group to another.

Because the RCE application is not accorded a new serial number, the opportunity for multiple applications stemming from a common parent application is obviated. For the same reason, applicants have little or no incentive to abuse the RCE application, as any such abuse will shorten the enforceable life of the issuing patent. By requiring applicants to expressly certify that the filing of each RCE is done in good faith, in order to advance prosecution and without deceptive intent, the PTO can further keep applicants accountable for filing needless RCEs.

Finally, allowing applicants to file multiple related applications with the proviso that each application identifies all other related applications can provide the PTO with economies of scale, allowing the applications to be assigned to the same examiner. Requiring applicants to briefly explain the subject claimed in each application will further ease the PTO's examination burden while addressing an applicants' need to file multiple applications.⁸

In conclusion, the Bar Association applauds and supports the PTO's initiative in implementing this study and for its efforts in improving the examination practice. It is this Association's sincere hope to assist the PTO in its endeavor while preserving applicants' right to a fair and efficient prosecution. The Bar Association would welcome any opportunity to assist the PTO in this endeavor.

Respectfully Submitted,



Dianoosh Salehi, Patent Committee *Chair*
Joslyn Barritt, Patent Committee *Vice Chair*
David W. Long, PTC Section *Chair*

⁸ As discussed in the Bar Association's Statement concerning *Changes to Practice for the Examination of Claims in Patent Applications*, in certain technology segments such as biological, chemical or pharmaceutical arts, it may be appropriate to file numerous claims or several applications to adequately protect the inventive concept and its various permutations.