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From: CMillard@oh.hra.com [mailto:CMillard@oh.hra.com]

Sent: Wednesday, May 03, 2006 1:44 PM

To: AB93Comments

Subject: Comments on Continuing Application Practice

Dear Mr. Bahr --

Attached are the comments of Honda R&D Americas, Inc. on the proposed rule changes for continuing applications and applications containing patentably indistinct claims.

We appreciate the opportunity to make comments and hope that the USPTO will find them useful. Do not hesitate to contact me if you have any questions, comments or concerns or if you are unable to access the attachment.

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May 3, 2006

**HONDA**

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Re: Comments Regarding Changes to Practice  
For Continuing Applications, Requests for  
Continued Examination Practice, and  
Applications Containing Patentably  
Indistinct Claims

Dear Undersecretary Dudas and Mr. Bahr:

Thank you for giving us the opportunity to comment on the proposed rules change noted above. While we are concerned about many aspects of the proposed rules, we will focus only on our areas of greatest interest and concern. We join the others who have commented on the remaining changes, particularly the AIPLA.

We understand the concerns expressed by the USPTO. We realize that if resources are being used to examine continuation applications, those resources will not be available to examine new applications. However, we do not believe that the proposed regulations will adequately protect applicants while achieving the USPTO's goal of reducing the pendency backlog.

Our primary use of the patent process is to get protection for our products and components of our products, including items that have an intended use at some future time, rather than immediately. If an examiner is making reasonable rejections based on prior art, and each rejection is based on newly cited art, we need to be able to make a reasonable response to those rejections, even if that requires filing a second continuing application. The vast majority of cases that we prosecute are allowed without filing a continuing application or in the course of prosecution after a single request for an RCE. However, and particularly for items already on a commercial product or for items scheduled to be or believed to be adopted on a future vehicle, it is essential that we be able to achieve the appropriate amount of patent coverage to which we are entitled. We need to have the opportunity to get the appropriate coverage, even if additional prosecution is required.

We make the following suggestions to improve the rule change package:

I. Eliminate the Restrictions on Filing Continuations-In-Part

Restrictions on filing continuations-in-part are unnecessary. Limiting the filing of continuations-in-part will not reduce the overall number of applications filed, but will simply change the way the application appears in the USPTO records. For continuation-in-part applications, new matter is added. In our practice, the new material is added in the claims as well. The continuation-in-part case is, therefore, a new case, patentably distinct from the parent case. If continuation-in-part cases are limited, these cases will simply be filed as new applications and the applicant will make arguments regarding why the claims are patentably distinct if they are rejected based on the earlier case. There will be no net reduction in the number of applications filed. Accordingly, the revisions to the rule that indicate that only one continuation-in-part can be filed should be eliminated from the proposed rules, as they will not help solve the problem.

II. Modify §1.78(d)(iv) To Include Some Specific Conditions That Constitute Good Cause

The standard articulated for when a second continuing application may be filed is vague. Vagueness in and of itself need not be a drastic concern. However, in the case where substantial rights are affected, enumeration, where possible, of specific examples of items that will be considered good cause would be helpful. If many of the cases fall within categories that can be specifically enumerated, these can be included in the rule or in a corresponding MPEP provision. There are some items that should be included as being good cause.

It is our understanding that the purpose of the rule is to limit continuations that are not advancing prosecution so that those resources can be reallocated to cases where prosecution can advance. Each of the following items fits within that general purpose.

A. Each Change of Examiner Should Trigger One Additional Opportunity For A Continuing Application.

Because of the difficulties inherent in interpreting claims, an applicant should be permitted to file on additional continuing application for each change of examiner. Claims are written in language. It is often difficult to describe in words precisely what an invention is. Each person reading a set of claims will make a slightly different interpretation of them. When a search is done to determine the patentability of those claims, each examiner may select a different set of references that he or she believes will show that a particular claim is not patentable (or, in the case of an allowance, a different set of references that is most relevant to the patentability of the claimed invention). It is clear from the amount of time, energy, and money spent on litigating claim interpretation that claim interpretation is not an exact science. An examiner and an attorney looking at a set of claims will be able to discuss the appropriate claim scope and reach a point of understanding on the differences between the cited prior art and the claimed invention. If

that examiner then leaves or the case is otherwise transferred to a new examiner, the new examiner and the applicant must again go through the process of understanding the claims together. This creates a situation where there is a higher probability of a rejection of claims that the new examiner has not had as great an opportunity to consider.

It is appropriate to give the examiner adequate time to determine claim scope and prepare a rejection or allowance that is appropriate to the circumstance. It is also desirable to grant patents with an appropriate claim scope. An additional continuing application is appropriate in such a circumstance to allow both the examiner and the applicant opportunity to make and respond to these rejections. Accordingly, a change of examiner should be specifically enumerated as something that will be considered to be good cause for one additional continuing application.

B. Citation by an Examiner of At Least One New Reference or Application Of A Reference by an Examiner in a New Way Should Be Considered Good Cause to File an Additional Continuation

If an applicant is faced with a new rejection, the applicant should be permitted, as a matter of right, to file a continuing application to respond to that rejection. For the cases in which we file a second continuing application, it is to advance prosecution in such a manner. Often, due to the difficulty in doing claim interpretation and the fact that patent applications should represent new technology, the examiner will need to be educated on the precise technology at issue in the application. As the examiner becomes more of an expert in the precise technology claimed in the application, the examiner may locate different references during the course of the prosecution. It is not possible to anticipate each and every reference an examiner may cite during prosecution. If an examiner cites a new reference in a final rejection or if the examiner applies an old reference in a new way, the applicant needs to have an opportunity to respond to the rejection, even if the rejection is a final rejection made in a continuing application. While it is possible that in such a case, an applicant could conceivably have made these arguments earlier, that would require an applicant to be clairvoyant to know what reference might be out there that they did not find in their search and that the examiner did not find in an earlier search. That seems to present an unreasonably high standard. In such a case, the purpose of the second or later continuation is to advance prosecution, and it is desirable to allow applicants to continue prosecuting such an application.

III. Eliminate the Presumption of Double Patenting and Identification of Similar Applications Stated In §1.78(f)

A. The Presumption of Double Patenting under Subsection (f)(2) Is Poorly Defined and Unduly Burdensome To Applicants and the USPTO

Subsection (f)(2) cannot be properly enforced and should not be adopted as written. In the proposed rules, §1.78(f)(2) indicates that for all cases filed, the applicant

must make an affirmative showing that the claims in a variety of cases are patentably distinct from one another. This provision is so vaguely written that it is not clear how to make this showing. Even if the provision were clear, it is not proper to create this presumption.

The provision states generally that if two applications have the same priority date, have a common assignee, have at least one inventor in common, and contain substantially overlapping disclosure, a rebuttable presumption will exist that the two applications contain patentably indistinct claims. In these circumstances, an applicant may rebut this presumption "to the satisfaction of the Director." Alternatively, the applicant can submit a terminal disclaimer and explain "to the satisfaction of the Director" why two applications need to exist.

There are any number of reasons that multiple applications would be filed on the same day with a common inventor and substantially overlapping disclosure. First, consider a complex system (for instance, a car door) with five parts, A (the inner door panel), B (the door lock), C (the motor that causes the window to go up and down), D (an inner door handle), and E (an interlock that prevents an inner door handle from being actuated when the window is down or the door is locked). If these parts are part of one system that works as a whole, it would provide great clarity for the examiner and the public to describe the system as a whole in a single specification. In addition, the preparation of only one specification would likely be the most efficient system for describing the inventions, as each invention will be structurally and/or functionally related to one or more of the other parts (for example, part B will likely be structurally engaged on part A). Then, consider that there may be patentable features in each of the individual parts. In such a case, it is likely that a claim directed to part C alone would be patentably distinct from a claim directed to part D alone. The same would be true of the remaining claims. While the claims directed to part E would likely include at least some of the features in one or more of the remaining applications, those claims would be patentably distinct from any of the claims directed to any of parts A, B, C, or D alone. Finally, consider that in a situation where a team of people is contributing to designing a system such as this, there will likely be some overlap between the inventors, as they will be working together on designing the parts of the system.

In order to achieve examination of the claims directed to all the features as quickly as possible, an applicant may choose to prepare one disclosure disclosing all five parts and file five separate applications, each of which claims only the features in one of the parts. The applicant would likely file these applications on the same day and would list some degree of overlapping inventors. In such a case, the applicant would need to make a showing under (f)(2) that shows the claims are patentably distinct, even though it would be apparent to anyone looking at the applications that the claims are patentably distinct.

While in this specific case, it would be easy to make such a showing, the rule does not provide guidance on how the applicant is to do so. As an applicant, it is important for us to know how to meet our duties under the rules. We are required to rebut a double

patenting presumption to the satisfaction of the Director, but the method of convincing the Director is not specified. Must a petition be filed before examination can commence? In other provisions in the Rules, where a petition is required, the Rules provide that the applicant is to file a petition. The Rules also indicate when the petition is to be filed. The proposed rule as currently written does not make the requirement explicit and needs to be redrafted to include language that clearly spells out the applicant's duties and the system for meeting them.

The proposed rule as written also provides for a potential conflict between the examiner and the Director. Returning to the earlier hypothetical, suppose that instead of filing five separate applications, the applicant files one application including independent claims directed to each of A, B, C, D, and E. An examiner will likely (and correctly) require restriction of the application to one of the inventions. The applicant will then need to file divisional cases directed to the remaining four inventions. In such a case, the examiner has already made a determination that these claims are patentably distinct. However, even when the Office has made this determination, the applicant apparently must still make a showing for the director that the claims are patentably distinct. No exception of any kind is made that a prior determination by the Office will control. What is the result if the examiner requires restriction, the applicant restricts its claims and files a divisional case, then the Director determines the claims were not patentably distinct after all and the applicant is not entitled to file the divisional case? The rule should be revised to eliminate this potential conflict.

The rule should be revised to be more clearly limited to address the concerns of the USPTO. In a case such as the hypothetical above, it makes no sense to require an applicant to make a showing that the claims are patentably distinct. While such a showing would, no doubt, be easy, it seems as if such a situation is not the one intended to be captured by the rule. Overlapping disclosure is not the most important criterion or often even relevant to whether multiple applications should be filed. The only issue that is relevant is whether the claim scope is coextensive. There should not be a rebuttable presumption of claim scope based solely on overlapping disclosure.

We agree that it seems nonsensical that an applicant would file two applications on the same day that list common inventors, have common ownership and have patentably indistinct claims. However, the present rule is so broad that most of the rule's applications will be made in circumstances where there is no double patenting concern. In our experience, obviousness-type double patenting situations have most often arisen where applications are filed that are spaced in time from one another and have only somewhat overlapping claim scope. This sometimes occurs due to discovery of other prior art during prosecution which causes an applicant to narrow claims in different applications in the same direction. Such a situation would not be covered by this rule, and the rule will not reduce the need for such rejections. This rule burdens applicants and the Office to a great extent, and will not be effective to reduce the need for terminal disclaimers or reduce the number of applications overall in any substantial measure. Accordingly, this provision should be eliminated or modified to be more narrowly tailored to capture only those applications that would in fact be subject to double

patenting, rather than capturing a large number of applications which do not present this problem.

B. The Necessity of Identifying All Applications with a Common Inventor Under Subsection (f)(1) Is Unnecessary and Unduly Burdensome To All But The Smallest Companies

An applicant's compliance with subsection (f)(1) may be quite difficult. In theory, it should be possible for any corporate legal department to be able to track what applications are filed when and to determine whether any of them list common inventorship. Thus, in theory, it should be easy for any applicant to comply with this provision. In practice, however, the situation is much more complex.

We work in a global economy with multinational companies working worldwide to create products. Consider the case of Big Company ("Big"). Big is a Japanese company with subsidiary companies that each develop new products throughout the world, including the US and Europe. Big sends technical experts all over the world to assist with the development of new technology. Consider the hypothetical of a Japanese technical expert named Joe Suzuki. Mr. Suzuki travels to Big's Russian subsidiary and helps to invent product A and Big files an application in Russia on February 1. Mr. Suzuki returns to Japan and helps to invent product B and Big files an application in Japan on March 1. Then, Mr. Suzuki comes to the US and helps to invent product C and Big files an application in the US on April 1. Each of those applications have been prepared and filed through a different legal department in a different country.

Then, suppose that the European subsidiary and the Japanese subsidiary both decide to file their respective applications in the US and claim priority under 35 USC §119 to the corresponding foreign application. In such a case, the rule stated in subsection (f)(1) provides that each of the three applications refer to the other two, since the two applications originally filed overseas do claim priority to a filing date within 2 months of the application originally filed in the US.

One difficulty with applying the rule in such a situation is with the specific terminology of the rule. The rule is somewhat flawed because it does not provide that the duty to make the cross-reference is within 4 months of the later-filed application. It is apparent that a decision to file a foreign application in the US may not be made until more than 4 months have passed from a US filing date. In addition, it is not clear whether a cross-reference must be filed in an issued patent if a later application claims priority back to a date within the two month window. Such a situation could easily arise with a continuing application or if a change of inventorship is required in an application. At present, the applicant's duty is unclear. It is possible that the USPTO means that an applicant has a duty to only make these cross-references where the serial numbers are available within four months of the filing date of that application. In such a case, only the examiners of applications with later actual filing dates will have an opportunity to review all the applications that are cross-referenced, which does not seem to be what the USPTO indicated as desirable. At a minimum, the rule must be modified to make a

clarification to the rule to more specifically state what the USPTO wants the applicants to do.

But more problematic is the rule as a whole. If an applicant is a small enough entity which is in the US only, it may use only one in-house counsel and one outside counsel, who can easily keep track of the applications as they are filed and be able to determine when applications are filed with an inventor in common. The addition of another outside counsel and/or in-house counsel makes this process cumbersome. While the USPTO indicates that it is easier for the applicant to keep track of these matters, it may in fact be easier for the USPTO to keep track of these matters. In the hypothetical above, in the database created by Big, there is one inventor whose name may be listed in one place in Roman characters, in another place in Japanese characters, and in a third place as Cyrillic characters, as those are the languages in which the data would be input. Even assuming that there is a database that covers all three of those areas, it would not be immediately apparent to any of the three Big offices from which US applications are filed that the inventor's name is the same as that in the other applications filed. In the USPTO database, the inventor would (or at least should) be listed the same way in each application in Roman characters. The USPTO database is designed to perform such a function, while those owned by corporations likely are not. Since the varying applications would likely be filed through different US counsel, and since the actual US filing date (rather than the priority date) from the Russian and Japanese cases are substantially different from the April 1 filing date of the original US application, this rule will create a large administrative burden. The USPTO is likely in the best position to make this determination, rather than the applicant.

We appreciate that the USPTO desires to reduce the number of applications that contain patentably indistinct claims. We appreciate that the applicants may have some knowledge that the USPTO does not have. However, the USPTO's expectation that applicants of any size will be able to easily provide the information required under subsection (f)(1) is unrealistic. The administrative burden for any multinational corporation, and likely for any corporation with multiple counsel in multiple locations, will vastly exceed any benefit the USPTO will receive from doing such cross-referencing.

#### IV. The Rulemaking by the USPTO Violates the Statutory Grant under Chapter 35 Of The United States Code

An applicant is entitled to a patent unless certain conditions are met under 35 USC §102 et seq. Only if the invention does not meet one of the limitations for patentability listed in the code, most typically under §§102, 103, and 112, can the USPTO reject the application.



A. The USPTO Cannot Shift the Burden to the Applicant to Prove Patentability

The proposed provisions under 37 CFR §1.78(f)(2) impermissibly shift the burden of proof to the applicant. These provisions indicate that if the applicant files an application with a correct inventorship, under certain circumstances, the applicant must show the claims are patentably distinct from its own application without the USPTO making any prima facie case that the claims are not patentably distinct. This violates the burden of proof and spirit of the rule that the applicant is entitled to a patent unless the USPTO makes a prima facie showing that the applicant must rebut. Simply filing an application with a correct inventorship listed should not be considered a prima facie case of patentably indistinct claims. Accordingly, subsection (f)(2) is in violation of law and must be deleted.

B. The USPTO Cannot Make A Rule in Contravention of 35 USC §120

The United States Code, section 120, provides, in relevant part, that

An application for patent for an invention . . . which is filed by an inventor or inventors named in the previously filed application shall have the same effect, as to invention, as though filed on the date of the prior application, if filed before . . . termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application.

This provision indicates that a continuing application that is filed shall have the same effect as the earlier-filed application, as long as the continuing application is amended to contain a reference to the earlier application. This provision also clearly contemplates that the same rules should apply to a second continuing application, the specific language being "termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application". The statutory language specifically contemplates the filing of not only first continuations but of continuations subsequent to that, on the basis solely of containing a reference to the earlier application. Requiring a special showing to allow such a second continuing application is in contravention of the letter and the spirit of 35 USC §120. Accordingly, the proposed addition of §1.114(f) should be deleted, and the provisions limiting continuing applications only to those circumstances where the Director deems it proper throughout §1.78 should be deleted.

VI. Conclusion

While we recognize that the USPTO is in a difficult position with respect to its current backlog, the present modifications will not reduce the backlog and instead will create additional paperwork for the USPTO and applicants that will further exacerbate the

current backlog. We want to assist the USPTO in reducing its backlog, rather than increasing it. We believe these rules will not have the desired effects, as stated above, and request that the USPTO modify these rules to comply with the US Code and to adopt provisions that will serve to in fact reduce the backlog.

Thank you for your kind attention.

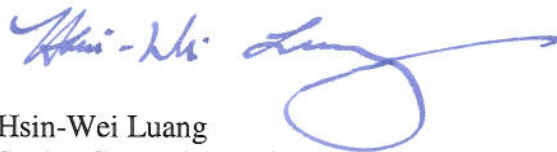
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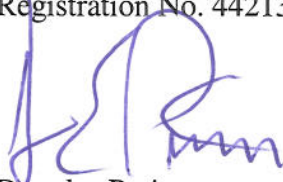
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