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From: andrew.j.anderson@kodak.com [mailto:andrew.j.anderson@kodak.com]

Sent: Monday, May 01, 2006 10:26 AM

To: AB93Comments; AB94Comments

Subject: 71 Fed Reg 48 and 71 Fed Reg 61 Combined Comments

Please see attached comments, which are submitted on my own behalf.

Sincerely,

Andrew J. Anderson

Comments Regarding Proposed Changes to Practice for the Examination of Claims in Patent Applications (71 Fed Reg 61), and Proposed Changes to Practice for Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims (71 Fed Reg 48)

These comments are submitted on my own behalf, do not necessarily reflect the views of my employer, and are influenced by my personal experiences as a former patent examiner (for 5 years), and as a patent attorney (for the past 17 years).

Continuation (and restriction/division) and claiming practices in the current system of examination have evolved as part of a complex inter-relationship among a variety of factors, including PTO “compact prosecution” requirements/guidelines, examiner productivity requirement/award systems, PTO fee setting and revenue collection requirements, claim construction case law, and a variety of applicants’ sometimes conflicting desires (e.g., efficient (time and money) issuance of patents vs. the potential value of claim adaptability in prolonged continuing examinations). Changes should not be made to individual aspects of the current system without consideration of the likely actual impact of such changes on the over-all system due to the other inter-related factors.

While certain aspects of the proposed claim designation and continuation filing practices changes might be acceptable in the context of an over-all examination efficiency process improvement, the two rules change packages should not be implemented as proposed, for at least the following reasons:

1. There is an inadequate explanation as to how the proposed changes will in fact lead to the significant improvements in overall examination efficiency (and corresponding reductions in pendency) to the extent alleged by the USPTO, especially within the context of “compact prosecution” practice.

While limiting the number of claims initially examined and the number of second continuations filed may appear on a superficial level to possibly result in reduced average required examination time per original application, on a more critical level the combination of changes would appear more likely to lead to relatively inefficient piece-meal examination of applications (by not performing an initial full examination of all claims related to a common invention, and even further all reasonably anticipated additional possible claim limitations based on the specification, as is required by a proper “compact prosecution” examination). The proposal would in effect limit the ability of the examiner and the applicant to consider all issues that may be reasonably pertinent to reaching a patentability determination in the most efficient manner. Restricting the permitted number of claims designated for initial examination, e.g., will make it difficult for an applicant to follow the previous encouragement by the USPTO to include a series of claims of varying scope in an effort to achieve an efficient compact prosecution examination process (see, e.g., MPEP 608.01(m) “Many of the difficulties encountered in the prosecution of patent applications after final rejection may be

alleviated if each applicant includes, at the time of filing or no later than the first reply, claims varying from the broadest to which he or she believes he or she is entitled to the most detailed that he or she is willing to accept”). Limiting the number of designated claims (especially in combination with adding new restrictions with respect to continuation practices) to a number below which an applicant believes is reasonably necessary in a particular application (as evidenced, e.g., by his willingness to pay excess claims fees) will make it harder for applicants to alleviate such acknowledged difficulties encountered in the prosecution of patent applications.

Rather than increase efficiency of examination, the proposed rules changes in combination appear more likely to lead to an increase in the number of first continuation applications that will need to be filed to have the remaining pieces of such a piece-meal examination completed. The increased number of first continuations may likely be greater than the forced reduction in second continuations. Further, where second continuations are denied, petitions and appeals practices will increase. It thus appears average overall examination time per original application may more likely in fact increase if such proposed changes were implemented. The proposed rules changes thus appear to be primarily process-oriented, and inconsistent with the results-oriented objectives of the President’s Management Agenda.

While no adequate explanation has been given as to how the proposed changes will in fact lead to the significant improvements in overall examination efficiency and such rules changes thus should not be implemented, it is further noted that the USPTO in any event has no apparent statutory authority to actually delete a claim to priority in a continuing application which an applicant has included according to statutory provisions.

2. Proposed “share the burden” changes involving a transfer of examination obligations from the Office to the applicant (whether in the form of examination support documents or “presumptions” of not patentably distinct claims) do not pass an over-all patent process quality filter.

While possibly increasing examination timeliness efficiency (to the extent an examiner actually relies on search and analysis performed by an applicant), such changes introduce potential adverse consequences with respect to perceived reduced patent quality and associated costs of patent litigation. As a patentee, such a transfer of examination obligations would introduce a very real increase in likelihood of having to defend against inequitable conduct assertions. As a member of the public, such transfer of examination obligations would reduce perceived public confidence in the validity of issued patents. It is further noted that such proposed changes are inconsistent with international patent harmonization goals, as no other patent system is believed to impose such burdens on an applicant. The USPTO simply must not abdicate its responsibility to perform its own

thorough patentability examination by transferring examination obligations to an applicant, as the added costs imposed on the overall patent system (in terms of perceived patent quality reduction (based on even a partial abdication of independent examination responsibility) and increased potential patent litigation costs) would outweigh any potential speed of examination benefit, and thus not be in the overall best interests of the public. Further, the threat of such a requirement should not be used to effectively prohibit an applicant from including all claims believed by the applicant to be reasonably necessary for efficient examination and effective patent coverage in a particular application. To the extent the proposed rules changes are directed towards a goal of reducing burdens on the USPTO at the expense of applicants, the proposed rules changes appear to be primarily bureaucracy-centered, and inconsistent with the citizen-centered objectives of the President's Management Agenda.

3. Proposed "presumption" that concurrently filed applications with a common inventor and overlapping disclosures contain "not patentably distinct" claims is inconsistent with long-established law that the Office bears the burden of establishing a prima facie case of non-patentability.

The USPTO has not provided any explanation as to why it may ignore such long-established requirement, and this proposal clearly should not be adopted. With respect to the related proposal to require an applicant to identify all other applications filed within two months of a particular application with a common inventor, to the extent there is no requirement of relevancy it appears this proposal is also beyond the authority of the USPTO. Further, to the extent it would appear to require identification and review of non-relevant applications, this proposal would appear likely to increase examiner workload unnecessarily, which is counter to the asserted goals of the proposed rules changes. It is also noted that to the extent such information is or becomes available from Office databases, it appears the Office in any event would be in essentially just as good a position as an applicant to perform a common inventor name search to identify copending applications filed within any particular time frame.

4. A basic argument by the Office is that the proposed changes will enable increased examination efficiency. There is no explanation, however, as to how examiner production requirements would be modified to ensure an actual increase in examination production based on such alleged increased efficiencies.

The Office frequently cites the difficulty in negotiating with the examiners' union as a reason why productivity requirements cannot be easily changed. To the extent any such productivity changes would need to be negotiated, they should be done so in the context of an examination process change that is designed to increase over-all examination efficiency (see general suggestions below), without requiring a transfer of

examination obligations to the applicant, so as to maintain public confidence in the perceived validity of issued patents.

ALTERNATIVE SUGGESTIONS

The PTO is encouraged to adapt its examination process to handle applications in the over-all most efficient manner. This would mean allowing complete search and examination of all claims applicants believed are appropriate and reasonably necessary to cover all related inventions (within a unity of invention context), together in a single application to the extent possible, rather than piece-meal examination resulting from delayed consideration claim features set forth in “non-designated” claims. It is understood that some applications take up disproportionate Office resources compared to an “average” application due to increased complexity and/or the number of claims submitted that an applicant believes are necessary to adequately protect their inventions. To the extent they do not already do so, fees for such a complete initial examination should be set in a manner that reasonably correlates the examination fees to the cost of the associated examination service, including appropriate application size and excess claims fees, so as to provide an incentive not to use up more of the Office’s resources than an applicant believes is necessary. If the Office can reasonably demonstrate that significantly disproportionate average examination costs start to arise with the initial search and examination of more than 10 claims as is now argued (as opposed to 20 claims as is associated with the current claim fee structure), then perhaps it would be justified to start charging appropriate excess claims fees for more than 10 claims (i.e., excess fees reasonably commensurate with actual associated increased cost of examination). This alone would drive (while not forcing) applicants to file applications with fewer claims on average, unless they believe more are cost-justified in any particular application. Appropriate prosecution guidelines should be enforced to encourage full consideration of all issues before an inappropriate “final” rejection is made. Incentives for premature final rejections (e.g., the hope of forcing a continuation), and unnecessary restrictions between related inventions, as created by the current production count system (which each introduce overall examination inefficiencies into the system) should be addressed in any examiner production re-negotiations in the context of such a revised examination system so to reasonably enable such full initial consideration, with due consideration given to establishing guidelines that are fair to both examiners and applicants. Full initial consideration of all claims an applicant believes to be reasonably necessary for proper protection, and for which an applicant is willing to pay for, would support the citizen-centered, results-oriented, and market-based objectives of the President’s Management Agenda.

If the patent examination process was sufficiently flexible to allow full consideration of all claims to all related inventions in an original application that an applicant believes are sufficiently important enough to pay added fees for, then re-setting excess claims fees to encourage filing of fewer claims and thereby increase examination efficiencies, and setting conditions on filing of continuations to address concerns relating

to delays in final resolution of an initial filing (and corresponding final notice to public of all issued claims) might be acceptable. Where limitations are set on continuation filings, however, the proposed “could not have been earlier presented” standard for amendments, arguments, or other evidence submitted for second or subsequent continuing application should not be adopted. In many cases, e.g., it may be impractical (while still possible) to obtain and submit certain types of evidence (e.g., evidence based on expensive experiments that could be prepared) unless as a last option after other arguments are not found to be persuasive. Rather, focus should be on whether any such continuing application submission is a *bona fide* attempt to advance prosecution. If so, it should be considered one way or another (either enter in parent application, or allow filing of a further continuation to have considered). If clearly not *bona fide* attempt to advance prosecution, then subsequent continuation should be denied. If a submission could have been submitted earlier, it may be appropriate to require an explanation as to why it was not earlier presented (e.g., relevant issue had not been joined on a specific claim limitation). Any proposed continuation practice reform initiative should include reform with respect to current abuses with respect to final rejections and "after final" practices, and examiner production system encouraging such abuses, as mentioned above. If intent of the Office is to encourage petition and appeal filings instead of allowing applicants to request continued examination, then these procedures should be changed to provide less costly, and more timely decisions (note, even though appeal backlog has recently been significantly reduced, the appeal process still is relatively prolonged and costly, when time and costs for total appeal process is considered). Something would need to be done, in particular, to allow applicants to petition for review of impropriety of finality of an Office Action, without having to pay notice of appeal and appeal fees while awaiting a decision on such a petition.

As an alternative to shifting search burden to applicants to improve examination efficiency, current proposals with regard to sharing of search burdens between different international examination authorities should be advanced. Such procedure would not introduce the potential negative perceived quality aspects associated with transfer of examination obligations to an applicant.

Respectfully submitted,
Andrew J. Anderson
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