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**To:** AB93Comments

**Subject:** Claims Practice Proposed Changes - 71 Fed. Reg. 61 (03 January 2006)

The following as an individual attorney sets forth comments related to the proposed USPTO claim practice changes discussed in 71 Fed. Reg. 61 (03 January 2006).

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## COMMENTS ON USPTO CLAIM PROPOSALS

- 1. The Revised Rules Would Require Applicants To Identify Whether Continuation, Continuation-Part, Or Divisional Applications Have Patentability Indistinct Claims. The USPTO Proposes That Multiple Applications That Have The Same Effective Filing Date, Overlapping Disclosures, A Common Inventor And A Common Assignee Include Either An Explanation Of How The Claims Are Patentably Distinct Or A Terminal Disclaimer And Explanation Of “Why Patentably Indistinct Claims” Have Been Filed In Multiple Applications. Such Proposals Will Not Streamline Patent Prosecution.**

The USPTO asserts in the Federal Register notice that “duplicative applications” that “contain ‘conflicting’ or patentably indistinct claims, are having a crippling effect on the Office’s ability to examine . . . non-continuing . . . applications.” The USPTO further asserts that the “practices impose a burden on innovation by undermining the function of claims to notify the public as to what technology is or is not available for use.”

The problem with such reasoning is that the same can be said with respect to new patent filings. May they not contain “patentably indistinct claims” from other claims in the same application? Do they not pose a “crippling effect” on the USPTO to examine already pending applications? Using the USPTO reasoning, does that not mean we should strictly limit “patentably indistinct claims in the same application” as well? A new utility application can be argued to not notify the public as to what technology is or is not available for use given the remaining right of an applicant to file one continuation, and due to the fact that they are not published for 18 months. If the claims are patentably indistinct, why are they prejudicial to the public? Particularly problematic for the applicant is that the USPTO provides no clear guidance as to how “patentably indistinct claims” are to be distinguished from “patentably distinct claims.”

- 2. The USPTO’s Proposal That Commonly-Owned Applications And Patents Having A Filing Date Within Two Months Of Each Other, And Having At Least One Common Inventor, Must Be Identified By An Applicant, Would Unfairly Disadvantage Applicants.**

In order to help the USPTO identify obvious double patenting situations, the USPTO proposes that each applicant be required to identify commonly-owned applications (including parties to a joint agreement pursuant to the Create Act) and patents that are filed within two

months of the application filing date if the application has at least one common inventor. With respect to such applications, there will be a presumption that they are patentably indistinct, and the patentee will either have to establish their distinctiveness or file a terminal disclaimer; otherwise, the USPTO may merge any such claims into a single application (presumably the earlier-filed one). If a double patenting rejection is issued by the Office in any Office action, the examiner may make a second or subsequent Office action final as it will be assumed that the applicant has not met the applicant's responsibility.

As the proposed regulation is framed, therefore, applicants trying to establish distinctiveness will be at a considerable disadvantage if they fail to convince the examiner of the distinctiveness of the claims. That is, they will quickly find themselves in a final rejection with the probability of just a single continuation application to gain patent allowance.

**3. The USPTO's Plan To Require Applicants To Identify No More Than Ten Representative Claims For Initial Examination Or Supply A Pre-Examination Search Report Fails To Meet The USPTO's Obligation To Determine Patentability Of All Asserted Claims.**

The USPTO proposes that an applicant identify representative claims for initial examination, which must include each independent claim. If the applicant identifies more than ten claims, the applicant must provide an examination supporting document that sets forth: (i) a statement that a pre-examination search was conducted, including identification of the USPTO field of search by class and subclass, the date of the search, databases used, and further including an identification of the search logic or chemical structure or sequence used as the query; (ii) provide an IDS in compliance with § 1.98 citing the reference or references deemed most closely related to the subject matter of each of the independent claims and designated dependent claims; (iii) an identification of all of the limitations of the designated independent claims and designated dependent claims that are disclosed by the references cited; (iv) a detailed explanation of how each of the designated independent claims and designated dependent claims are patentable over the reference cited with the particularity required by § 1.111(b) and (c); (v) a concise statement of the utility of the invention as defined in each of the independent claims; and (vi) a showing of where each limitation of the independent claims and the designated dependent claims finds support under 35 U.S.C. § 112 ¶ 1, in the written description of the specification. In

respect of (vi), if the application claims the benefit of one or more applications, the showing must also include where each limitation of the independent claims and the designated dependent claims finds support under 35 U.S.C. § 112 ¶ 1 in each such application in which such support exists. It is important to note that a search report from a foreign patent office will not satisfy the requirement. The USPTO likens its proposal to the BPAI's requirement for applicants to identify representative claims when an appeal is lodged.

Any pre-examination search report must include a search of all U.S. patents and patent application publications, and foreign patent documents, AND non-patent literature unless the applicant can justify with reasonable certainty that “no references more pertinent” than those already identified are likely to be found in the eliminated source and includes such a justification with a statement pursuant to 37 C.F.R. § 1.261(a)(1). The pre-examination search must cover all of the features of the designated dependent claims separately from the claim or claims from which the dependent claim depends – *giving the claims the broadest reasonable interpretation*.

The USPTO asserts that this proposed change will allow “the Office to do a better, more thorough and reliable examination since the number of claims receiving initial examination will be at a level which can be more effectively and efficiently evaluated by the examiner.” The Office argues that its current procedure of examining each claim for patentability is wasteful when the dependent claim stands or falls together with the independent claim. It proposes delaying examination of dependent claims until the application is ready to issue in order to improve efficiency. However, if the representative claims set forth by the applicant are ten or less, the applicant can obtain a patentability search on the representative dependent claims without need of providing an examination support document so long as the dependent claims depend from a representative independent claim or an intervening representative dependent claim.

The USPTO also proposes changing the definition of independent claims for fee calculation purposes to include dependent claims that do not incorporate by reference all of the limitations of the claim the dependent claim refers to, such as a product-by-process claim. It also wants to treat dependent claims “that refer [\_\_\_] to a claim of a different statutory class of invention” [emphasis added] as an independent claim for fee calculation purposes.

The Office is seeking comment on how claims written in alternative form should be counted. The Office is considering that alternative claims would be counted as multiple independent claims for each alternative unless the applicant shows that each alternative in the claims “includes a common core structure and common core property or activity, in which the common core structure constitutes a structurally distinctive portion in view of existing prior art and is essential to the common property or activity.”

To raise even more money and reduce claims, the Office proposes to treat multiple dependent claims as multiple claims corresponding to the number of claims “to which direct reference is made in the multiple dependent claim.”

Such proposals unfairly target small business entities. The USPTO has certified to the Small Business Administration that the changes caused by such proposals will not have a significant economic impact on a substantial number of small entities. Again, this certification is made based on flawed statistics that equate each application as if it was filed by a distinct entity and which extrapolate the Office’s findings of no significant effect solely from 2005 application filings. It is interesting to note that the Office’s own figures cited in the notice show 34.3% of all applications containing more than ten independent claims as having been filed by small entity applicants in 2005, while the USPTO indicates that only 29.3% of total filers that year were small entities. Again, this disparity suggests that such changes will adversely affect small entity filers more than large entity filers.

The Office points to the AIPLA 2003 Economic Survey report to suggest that a patent novelty search, analysis and opinion was averaging \$2,500 in the 75<sup>th</sup> percentile range. The Office uses such figure to suggest that its proposed examination supporting documents will not greatly add to the prosecution cost of small entity filers. Of course, as any private practitioner knows, such argument is entirely baseless as it does not take into account the type of patentability search done in 2003 by most practitioners (often limited to U.S. patents and published U.S. applications), a search which was much less extensive than the scope of study required by the USPTO in its pre-examination report (which, *e.g.*, includes study of foreign patents and patent applications and non-patent art). Likewise, it does not take into account the

general standard for patentability opinions rendered during 2003 which often did not set forth in detail the patentability of each claim element-by-element.

The USPTO estimates that the burden of its proposed change will equate to an additional 1 minute and 48 seconds to 12 hours of work for applicants, inclusive of all the search time on each claim, analysis of all references uncovered, placing the same into the required report, filing the IDS, etc. Of course, such estimate is entirely a flight of fantasy when it comes to an application having a multitude of independent claims, where hundreds of pieces of prior art might need to be reviewed by the practitioner.

**4. The Office's Proposal With Respect To Changing The Definition Of Independent Claims To Include Product-By-Process Claims, Multiple Dependent Claims, And Alternatives In Independent Claims Unfairly Burdens Small Entities With Fees Far In Excess Of That Needed For Examination. The USPTO's Proposals With Respect To Any Continuation-In-Part Application, The Applicant Must Identify All Claims That Are Directed To Subject Matter Disclosed In The Parent Application, And Such Applications (As Well As Continuation Applications) Can Only Claim The Benefit For Priority Purposes Of Only A Single Prior Filed Application Which Has Not Been Claimed For Priority Purposes In Any Other Prior-Filed Application That Is Not A Divisional Application Are Fundamentally Flawed.**

The USPTO proposes to put the onus on the applicant to propose, with respect to each claim in a continuation-in-part application, which claims are to be given the original filing date of the asserted parent and which are to be given the filing date of the continuation-in-part application. It also intends to require that a claim be drafted that obtains support from the parent application disclosure. The USPTO proposes to allow an applicant to only claim to one parent application for priority purposes. Such parent must not be claimed for priority purposes in any other pending application other than a divisional application. Priority further cannot be sought from an application in which an RCE has been filed. This proposal can seriously prejudice applicants when new discoveries cut across subject matter disclosed in more than one of their applications.

**5. WHAT CAN THE OFFICE DO TO RID ITSELF OF ITS BACKLOG?**

While significantly raising fees associated with the filing of patent applications (let's face it, splitting the filing fee of the past into a "filing fee," "examination fee," "search fee," and a

“publication fee” does not result in a reduced “filing fee” as that term was used not too long ago), the USPTO has found itself unable to unbury itself from a backlog of cases.

In this commentator’s estimation, the only long-term resolution of the USPTO’s problem is to hire more qualified examiners. The USPTO asserts that such persons are hard to find, and thus there is a delay in hiring. However, while the USPTO has moved applicants into the 21<sup>st</sup> century of electronic communications, and even now has a large part of its staff telecommuting from home, it continues to hire its examiners only from the Washington, D.C. metropolitan area. This practice by the USPTO goes on although thousands of engineers and scientists, graduates and postgraduates throughout the country, many from the best schools of this nation, go wanting for a job each year owing to rampant foreign outsourcing of research and development jobs.

There simply is no longer a need for all examiners of the USPTO to be physically located in the Washington, D.C. metropolitan area given electronic searching and communication capabilities. Why should our country’s brightest be blocked from contributing to the advancement of innovation as a USPTO examiner simply because they do not live within commuting distance of USPTO headquarters? Wouldn’t it make sense that someone employed in Peoria, Illinois or Boise, Idaho might be more likely to remain with the USPTO longer than someone in the Washington, D.C. metropolitan area who has many more opportunities for employment? Wouldn’t the decrease in attrition of trained examiners greatly help the USPTO in getting through its backlog? Even more heretical, cannot the Office train and hire part-time graduate students at our universities?

The Office should raise the patent fees if necessary and get the hiring done. An increase of staff far beyond the 1,000 now being considered by the USPTO is needed. The proposals advanced by the USPTO will only exacerbate its job in the long run. (as applicants file many more applications to cover every conceivable embodiment in a patent specification – embodiments for which protection would never have been sought under present practice) and will undoubtedly negatively affect the advancement of science and the useful arts.