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To: AB93Comments

Cc:

Subject: Comments on Federal Register vol 71, no 1 pp 48-61

A PDF document is attached with comments regarding the proposed new rules on continuation practice.

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These comments are responsive to Proposed Rules for Changes to Practice on Continuing Applications, (Federal Register Vol 71, no. 1, pp 48-61). These comments are made by Scott C. Harris, individually, as a registered patent attorney (Reg number 32,030) , and also as an independent inventor on numerous issued and pending patents. These comments are not made on behalf of Fish & Richardson PC, the law firm with which I am associated.

1. The Proposed Rule Change is Not Fundamentally Fair

This rule change will discriminate in favor of those more able to pay and discriminate against small entities, and as such is fundamentally unfair.

In recent years, the patent office has taken numerous steps to minimize the number of claims presented in a single application. For example, fees for extra claims (beyond 3 independent claims, for claims beyond 20 total claims) has more than doubled in recent years. These fees were intended to discourage applicants from filing applications with large numbers of claims.

The Federal Circuit has limited Doctrine of Equivalents coverage of claims. Hence, it may become necessary to file many claims, in order to protect an invention adequately. Hence, any limitation on continuations may encourage, perhaps even mandate, applicants to file many, many claims. This, notwithstanding the patent office's economic disincentives against large numbers of claims in a single application.

Under US law, and cases which have been extensively cited in other comments, applicants are entitled to adequately claim their invention through multiple different sets of claims. The patent office should be allowing applicants to properly and adequately protect their inventions. And yet, this proposed rule would do quite the opposite. It would require on the one hand all conceivable claims to be drafted and filed with the application. On the other hand, it would charge ever increasing costs -- in fact costs that were intended to be economic disincentives -- for filing that number of claims which may be necessary for adequate protection of an applicant's invention. This is inherently unfair.

The current system is much more fair. Under the current system, an inventor has the right at any time to file another continuation with additional claims. Inventors know that they will always have another opportunity to file

additional continuations. By taking away the inventor's right to file additional continuations, the patent office is essentially requiring more costs upfront.

And this leads to the second part of the unfairness -- this proposed rule would unfairly discriminate against the small entity -- and in favor of those who have the financial means to investigate many avenues prior to filing. Since under the proposed rule, all claim drafting would need to be done earlier in the process, this would require more costs earlier in the process. The costs would likely be required prior to any product introduction. The costs would most likely be prior to knowing anything about market reaction to the invention. Even before knowing this market reaction, and before being able to adequately assess the value of the invention, the future patentee would need to invest more money in analysis of the patent issues. The patentee would need to pay for both drafting and filing of every possible claim that could ever be filed for the subject matter.

One of the patent office's strategic goals has always been to assist small business. This is the basic premise behind the small entity fees. However, this proposed rule strongly discriminates against small business. Small business are often minimally funded, and certainly have a limited budget from which their patent expenses can be paid. This proposed rule requires that more work be done in preparation for an initial filing of a patent application, see above. This additional work translates to additional costs, and these additional costs may be very difficult for a small business to absorb.

On the other hand, the present system allows small businesses to assess the market acceptance of the invention and to add new claims as necessary or desirable based on that assessment.

While these costs may be substantial for small businesses, the extra costs would not be significant for certain well-funded companies.

Another words, there is a basic fundamental fairness issue: since the earlier stage costs required for filing and proceeding with a patent application will inevitably increase as a result of this rule, those costs will not be able to be absorbed by small business, and consequently, small business will likely receive less patent protection for their patentable subject matter.

Moreover, this rule would disproportionately impact small entity applicants, since those are the applicants for least able to prepare the otherwise necessary hundreds of claims in advance of the initial filing.

Finally, way in which the rule is essentially "retroactive" is also fundamentally unfair. Patentees have certainly continuation rights that are effectively accrued to them. Retroactively taking any of these rights is simply unfair--not to mention a violation of due process.

2. The rules would in any case be UNLIKELY to meet the Patent Office's Business Goals.

By requiring patentees to flesh out their inventions ahead of time, this proposed rule would likely result in more claims being filed with applications, and/or sooner in the application process. Much of the proposed rationale for this rule is based on reducing the patent office's backlog. Filing of more claims with the initial application and/or earlier in the process is quite unlikely to reduce any examination backlog.

3. A better suggestion might be to address the disease rather than the symptoms.

The comments accompanying the proposed rule change seem to imply that many patentees and/or practitioners waste their time with many of the different office actions they receive, and that prosecution is not expeditiously handled. In fact, not all of the problem is from the inventors and their representatives -- at least one part of the problem lies with the Examining Corps. By allowing only two examinations on a single case, this rule will effectively transfer the examination burden from the examining corps to the board of appeals. This rule will force appeals on certain cases which would otherwise eventually be resolved through negotiation between the patentee and Examiner.

4. The Limits of the Proposed "could have been..." standard should be provided.

The rule sets up a new hurdle, that hurdle of showing "to the satisfaction of the Director that the amendment, argument or evidence could not have been submitted during the prosecution of the initial application" rule 78(d)(1)(iv). The Federal Register proposal, however, provides no guidance about the scope of this "could not have been submitted". What is the scope of this showing? It is certainly unfair unless the patent office agrees that any response to a "new ground of rejection" was prima facie acceptable under this standard. It must be made clear that when Examiners cite new ground of rejections, further examination should be provided to allow the applicants appropriate opportunity to respond to these new ground of rejections.

Would new claims to a new claimed aspect be within the Director's satisfaction?

What about claims that were not previously believed commercial but due to changes in the market are now commercial?

What about the "necessary" part? Would difficulty in paying claim fees be sufficient to meet that standard?

5. De facto limiting of continuation filing is not legal.

The proposed rule itself discusses the precedent which indicates that the patent office has no power to limit the number of continuations which are filed. See the proposed rule's discussion of *Hogan* and *Hendrickson*. However, by crafting a new "could not have been submitted" standard, that limit is de facto being imposed here. There is no real difference between limiting continuation filings and de facto limiting of continuation filings. Any attempt to limit the number of continuations which a patentee can file is not within the Patent Office's power or discretion.

Even more importantly, and as noted in the cited cases, doing so would be contrary to public policy.

While the proposed rule alleges that no attempt is made to limit the number of continuing applications, in fact that is exactly what is being done. The patent office is de facto requiring that applicants have a crystal ball into the number of claims they want filed, and when they want them filed. In the real world, circumstances will change, and applicants will need to file continuing applications. There is quite simply no way to avoid this, and in at least some of those circumstances, applicants will not be able to meet the burden of showing that they had no way of knowing about these situations.

Moreover, the undersigned's understanding of *Godfrey v Eames*, 68 U.S. 317(1863), is that applicants have a RIGHT to file continuations(so long as the reason is not itself improper), see for example, *Godfrey's* quote "the commissioner has no judicial discretion in receiving an application", 68 U.S. at 323.

6. The Proposed Petition fee is excessive and is itself unfair.

The \$400 petition fee for showing that the continuation is "necessary", is itself excessive.

The only time that continuations would be proper under these rules is apparently when the situation could not have been avoided. Requiring a \$400 petition fee in that situation, basically a 40% surcharge above the total fee for examination of a patent application that is NECESSARY, is excessive. In some situations, the continuation will have been filed because the patent office themselves set forth a new ground of rejection. In that situation, the unfairness of the high fee becomes even more extreme.

7. Accepting allowed claims in a patent application should be an express exception to any rule.

The rules are inconsistent, and have no rational basis, with regards to an applicant who wants to accept an allowed set of claims and pursue other rejected claims in a continuation. In fact, the Federal Register notice acknowledges that

an applicant should be allowed to obtain a patent on their allowed claims and yet continue prosecution in a continuation. See Federal Register volume 1, number 1, page 53, third column, next to last paragraph.

If acceptance of allowed claims is to be sanctioned, then it makes absolutely no sense why this would only be allowed in applications "other than a continuing application". Allowing an applicant to take their allowed claims and file a continuation for the rejected claims should place no burden whatsoever on the patent office. It should be unconditionally allowed.

8. The patent office's stated rationale of increasing "the public notice function of patent claims in the initial application" is ultra vires their authority as a rulemaking institution, and contrary to Federal Circuit law on the subject.

The Federal Circuit has held that applicant need not submit all of their claims with any initial application. This was rejected by the Federal Circuit as part of their rejection of the so-called "late claiming" doctrine. See also *Godfrey*, supra.

Moreover, and with all due respect to the patent office, a policy consideration such as public notice function of original claims, is not appropriately decided during administrative rulemaking—it is only appropriate for the Legislature or the courts.

9. The patent office has not provided any statistics in support of the "single continuation application" rule and proper rulemaking and public notice can only be effected when the public is apprised of the true effects of this proposed rule.

Why have rules suggested that only "one" continuation can be filed. Why one and not zero? Why not two? Why not five?

In order for the public to adequately comment on a rule such as this, it statistics on the current situation is crucial. Meaningful comments can not be provided unless the extent of the effect is quantified.

How many applications currently have more than one continuation filed? (How onerous a burden would this new rule be on the public?) Certainly statistics of this type are well available to the patent office, but no statistics have been provided. The patent office should provide whatever data is available to support its attempt to allow only one continuation application as a matter of right.

The proposed rules alluded to abuses in the patent office's systems by multiple continuations. If that is truly the rationale, then why not select a number like 10 continuations? While the undersigned believes that there is no abuse no matter how many continuations are filed (see *Godfrey*, supra), at least there should be a rational basis for cutting off the continuations at some higher

number, e.g. a number like 10.

The undersigned suggests that the patent office compile statistics, determine a statistical sampling of the number of continuations that are filed, and set the maximum number of continuations (before the "necessary ..could not have been submitted" showing becomes required) at the fringes of the resultant Gaussian curve. This is certainly a suggestion that would be more palatable to most patentees.

Respectfully,

_____/SCH/_____
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