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**From:** Michael O'Connell [mailto:michael@westberglaw.com]

**Sent:** Mon 5/1/2006 8:18 PM

**To:** AB93Comments

**Cc:**

**Subject:** Comments re Proposed Changes to Continuation Practice

Please see attached document.

/Michael O'Connell

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May 1, 2006

Commissioner for Patents  
U.S. Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313

Subject:       Comments Regarding Proposed Rule Changes to Practice for Continuation  
                  Applications, Requests for Continued Examination Practice, and Applications  
                  Containing Patentably Indistinct Claims

Dear Sir/Madame:

This is in response to the proposed rule changes that change current RCE and continuation practice by restricting applicants to a single continuation-type application selected from either an RCE or a continuation. The premise for the proposed changes is that they will reduce the workload of examiners providing reduced patent application pendency. Upon a closer look, however, it is easy to see that such benefits will prove to be illusory. Rather than implementing these radical changes, the PTO would have a much better chance of improving patent pendency by incrementally changing the patent examination process. Several such incremental changes are proposed here.

RCE practice and continuation practice are two completely different aspects of patent prosecution. It is disturbing that the PTO would lump the two together for the purposes of proposing rule changes. Continuation practice fulfills the public policy consideration that applicants should be able to claim everything that they have invented and disclosed in an initial application filing (i.e., see 35 USC 120). As a public policy consideration, the PTO should leave the question of limiting the number of continuations to Congress.

In contrast, RCE practice (and its predecessors CPA practice and FWC practice) recognizes several facets of the examination process. First, applicants often do not know where the limits of patentability lie and it may take several RCEs for an applicant to receive a meaningful examination.

Second, examiners are often not trained in law when hired by the PTO. They are hired for their technology or science education. While a newly minted patent examiner has received some initial training from the PTO's Patent Academy, such an examiner is unable to issue office actions of the quality of a primary examiner because patent examination is a process that is learned through many years of experience. RCE practice recognizes that often such a newly minted examiner needs many "bites at the apple" to make a rejection that has merit. By allowing such an examiner to issue a final rejection, the PTO is able to get second, third, etc. filing fees

for an application while allowing applicants' attorneys to provide the on-the-job education that will eventually lead to the examiner becoming a primary examiner.

Third, unlimited RCEs allow an examiner and an applicant to reach a point of agreed upon disagreement. It is at this point that an application is ripe for appeal. Currently, an examiner may issue a final action with new grounds at any time after the first office action. Under the current rules, the applicant will likely file an RCE and pay the filing fee again to contest the new grounds for rejection. Theoretically, the rules limit the ability of an examiner to issue new grounds in a final action. In practice there are so many exceptions that new grounds are often included in a final rejection and, even when contestable, applicants find it easier and more efficient to file the RCE and pay the fee. Such a final action may have little merit and, as such, the examiner would agree given the opportunity to do so. Often, this is what happens upon the filing of the RCE when a new final rejection is issued with further new grounds for the rejection.

In contrast, under the proposed rule changes, the applicant may choose to save their one continuation-type application for filing as a continuation and appeal. This will increase the workload of the examiner and the appeal board (or a pre-appeal panel) as a series of appeals (or pre-appeal briefs) are considered and the application is remanded to the examiner. This will increase the PTO's expenditure of time and money dwarfing that found in the current RCE practice. Thus, the proposed changes could have the effect of increasing pendency rather than reducing it. Further, while the proposed rules do include a petition process for the applicant to obtain the right to file a second or later RCE, obtaining approval of such a petition will have to be difficult if the PTO is to realize its goal of reducing pendency by limiting the number of RCEs. Moreover, deciding such petitions will increase the amount of work required by the PTO.

There are several incremental changes that the PTO could institute that should reduce patent pendency while also increasing patent quality. First, the PTO could measure office action quality on the basis of law and fact. The current quality standard is referred to as "Patent In-Process Examination Compliance," which is defined as "office actions reviewed and found to be free of any in-process examination deficiency (an error that has significant impact on patent prosecution)." In practice, this appears to mean that office actions are correct as a matter of law. A better standard would be "office actions that are correct as a matter of law and substantially correct as to the facts." For example, substantially correct as to the facts could be at least 90% of cited facts are correct for each citation of law and, where claims are allowed, a separate search of the prior art did not uncover invalidating prior art. Under such a standard, a prior art reference would need to actually include at least 90% of the claim limitations under a 35 USC 102 rejection. While such a quality standard will take more effort to measure, it will reduce pendency because examiner's will issue better rejections leading to shorter patent prosecutions. It will also improve quality because it will provide feedback to examiners as to the quality of their office actions rather than sending the message that the facts are unimportant.

Second, the PTO could separately apply the quality standard of, "Correct as a matter of law and substantially correct as to the facts," to first office actions. If the PTO could raise the quality of first office actions to a level where say 60% to 70% were correct as a matter of law and substantially correct as to the facts, the PTO would make significant progress in reducing what the PTO refers to as "rework."

Third, the PTO could recognize that some applications are more complicated than others and give more time for examining such applications. While the time for the initial examination will increase, the better quality of first office actions will reduce the number of office actions and, consequently, reduce pendency.

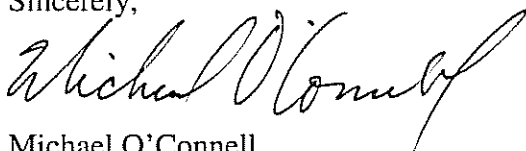
Fourth, in those cases where a primary examiner and an assistant examiner sign an office action, the PTO could give the primary examiner the time and authority to review and correct the assistant examiner's examination. This would include a review of the application and a thorough reading of the cited references to ensure that such references provide the teachings in support of 35 USC 102 and 103 rejections. Possibly, a sliding scale could be used for the amount of time given to the primary examiner based upon the experience level of the assistant examiner. Again, while the time spent upon initial examination will increase, the increased quality of the initial examination will reduce the number of office actions and, consequently, reduce pendency.

Fifth, recognize that the problems of patent pendency and patent quality are operations research problems. Accordingly, hire the appropriate experts in operations research to form various models of the examination process, including micro-models of an examiner's work on each application and macro-models for technology groups and the PTO as a whole. The models could then be tweaked to find incremental changes that should reduce pendency and improve quality. If there is doubt about whether particular incremental changes will provide the improvements that the models indicate, such incremental changes could be tested in a pilot study. A pilot study for an incremental change might indicate that the incremental change will provide the expected benefits or it might indicate that there is a flaw in the modeling. It is important that such pilot studies not be designed to demonstrate that a proposed incremental change will improve the process. That is, pilot studies should test the proposed incremental change rather than merely being designed to provide the pre-ordained conclusion that the proposed incremental change will improve the process.

For example, in the past the PTO has proposed separating search activities from the examination process and outsourcing such searches. Such a process would have separated a one person examination process into at least a two person search and examination process. Operations research modeling could have been used to model the existing process and the two person process to determine whether the combined effort of two people reduced or increased the overall cost of the examination process.

While the proposed rule changes discussed here appear misguided, I am hopeful that the PTO will be able to reduce patent pendency and increase patent quality over time.

Sincerely,



Michael O'Connell  
Reg. No. 42,950