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Sent: Friday, April 28, 2006 7:06 PM

To: AB93Comments

Subject: Comments on proposed Changes to Practice for Continuing Applications

The following comments on the PTO's continuation proposals are made on behalf of the Reed Intellectual Property Law Group of Palo Alto, California, a law firm.

First, as many other persons have stated, the present proposals are harmful to the U.S. patent system because they hamper an inventor's ability to claim the full scope of his or her invention. Thus, to the extent the patent system fosters innovation, the proposals are also harmful to innovation and to the American economy. Second, as many other persons have stated, the proposals appear to exceed the PTO's statutory authority. It is very difficult for us to understand why the PTO did not seek legislation to implement these proposals and instead took a pure rulemaking route which runs the risk of the courts finding that the PTO lacks authority.

Leaving aside this and other general objections to the present proposals, we would like to point out a particular difficulty which the proposals raise with respect to divisionals. Under the proposals, divisionals filed in continuing applications appear to lose the priority of all but the most recent application filing. In many cases, this will force applicants who receive a restriction requirement in a continuing application to abandon all but one invention.

This aspect of the proposals penalizes decisions to file continuing applications which were taken prior to the proposals and were perfectly legitimate in terms of the law as it existed then. For example, an applicant may for very legitimate reasons have filed an application and then, prior to any PTO action, filed a CIP of that application with more disclosure and abandoned the original application. Under the proposals as they currently stand, a restriction requirement issuing in the CIP after the effective date of the new rules will seemingly mean loss of

parent priority for all but one of the inventions. This loss of rights is in effect punishing the applicant for the decision to file a CIP, taken prior to the proposals, based on the law as it existed then. Such retroactive punishment is unjust.

For this reason, it is recommended that the proposals be modified to permit a divisional to claim priority to *all the ancestors* of any application A, provided the divisional is responsive to a restriction requirement made in application A or in one of its ancestors. Alternatively, this concession could be made only as a transition provision, so that it would apply only to applications A pending on the effective date of the proposed new rules and would eventually sunset as such applications are allowed or abandoned.