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From: Derek Freyberg [mailto:dfreyberg@telik.com]

Sent: Wednesday, May 03, 2006 4:46 PM

To: AB93Comments; AB94Comments

Subject: Comments of Telik, Inc. on the Notices of Proposed Rulemaking at 71 FR 48 and 71 FR 61

Enclosed is a letter from Michael M. Wick, MD PhD; Chairman, CEO & President of Telik, Inc.; with Telik's comments in response to the Notices of Proposed Rulemaking at 71 FR 48 and 71 FR 61.

<<Telik letter to PTO on new rules 3-May-06.pdf>>



3 May 2006

*By e-mail*

The Honorable Jon Dudas  
Under Secretary of Commerce for Intellectual Property and  
Director of the United States Patent and Trademark Office  
Mail Stop Comments  
P. O. Box 1450  
Alexandria, VA 22313-1450

Re: Comments on Proposed Rules:  
"Changes to Practice for Continuing Applications, Requests for Continued Examination  
Practice, and Applications Containing Patentably Indistinct Claims", 71 Fed. Reg. 48;  
and  
"Changes to Practice for the Examination of Claims in Patent Applications",  
71 Fed. Reg. 61

Dear Under Secretary Dudas:

I am writing on behalf of Telik, Inc. to comment on the U.S. Patent & Trademark Office ("PTO") proposed rules.

Telik is a biopharmaceutical company of 180 employees in Palo Alto, California, developing drugs to treat cancer. Information about Telik can be found at its website at [www.telik.com](http://www.telik.com). Like all other biopharmaceutical companies, Telik relies very heavily on patents to protect its intellectual property.

I have been made aware of the proposed rule changes by Telik's Patent Counsel, who suggested that Telik provide input to the PTO in its decision making process. I believe the two letters dated 24 April 2006 to you from the American Intellectual Property Law Association and the letter of 27 April 2006 from the Office of Advocacy of the U.S. Small Business Administration reasonably present Telik's concerns regarding the proposed changes; and Telik agrees in general with the observations and recommendations of those letters.

Telik's opposition to the changes in these proposed rules is based on economic policy issues that relate to the financing of research and development in the biopharmaceutical industry.

You are probably aware of the complexities of developing a new drug. For small companies like Telik, funding the development of such a drug often comes in stages of financing. A major asset that financiers, whether venture capitalists, angels, partners, or stockholders, evaluate is the patent portfolio. Any opportunities to maximize the value of a company's patent portfolio aids in the fund-raising process and, thus, the development of new drugs. Telik is concerned that the proposed rules will have the effect of reducing this opportunity for drug development, thereby reducing competition in the biopharmaceutical field and harming the public interest.

Often when a patent application is filed, neither the inventors nor the company's development team fully recognize the value of the patent(s) that may issue on that application. Having greater flexibility in claiming an invention under the present procedures allows a company like Telik to maximize the value of its patent portfolio in light of changing commercial realities. The present patent publication procedures and other sources of information allow Telik to regularly evaluate its competitors' present and future development programs. In light of this ongoing evaluation, the existing claiming and continuation practice before the PTO aids Telik in adjusting to the realities of the changing marketplace of ideas.

While Telik supports improving the efficiency of the process for obtaining a patent and issuing high quality, enforceable patents, these improvements should not come at the expense of decreasing the overall value of a patent family to its owner.

Telik believes that the proposed changes to the practice for the examination of claims and to the practice relating to continuing applications will decrease Telik's opportunities to positively affect its patent assets to aid in funding the development of new drugs. Also, the new procedures regarding pre-examination searches would add burdens and risks that would further adversely affect the value of its patent portfolio. Telik feels that the present PTO procedures provide it with better opportunities and greater flexibility than the proposed procedures in maintaining and adding value to its patent portfolio and, thus, funding projects to develop new drugs. In Telik's view, the Commerce Department goals to promote economic development and technological advancement in the biopharmaceutical arena are better met with the present PTO procedures than the proposed procedures.

Telik asks that the proposed rules be withdrawn and reconsidered in light of these concerns and the concerns expressed by the AIPLA in its letters of 24 April 2006 and the SBA in its letter of 27 April 2006.

Sincerely,



Michael M. Wick, MD PhD  
Chairman, CEO & President