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**From:** mark ye [mailto:mark@yepatent.com]

**Sent:** Tuesday, May 02, 2006 11:52 PM

**To:** AB93Comments

**Subject:** comment on rule change 71 FR 48

Sir,

Please find the attached comment on the proposed final rule change, 71 FR 48 (1/3/2006) regarding continuation practice and claim practice.

Generally, the proposed change is a bad idea.

L. Mark Ye

Ye's comments on the proposed rules of the Continuation Application practice at USPTO.

71 FR 48, (1/3/2006)

comment email: [AB93Comments@uspto.gov](mailto:AB93Comments@uspto.gov)

### Comments on the continuation practice

1. The perceived problem with continuation application does not exist now.

There may have been problems with continuation application prior to the law change in 1995 when the patent term is 17 years from *issuance*. By filing continuation, one can get longer patent term with a fee. For application filed after 1995, the term expires 20 years from the earliest application regardless (not counting the delay caused by the PTO) how long it takes for the examination. To lengthen the examination time voluntarily will just shorten the patent term, until none is left. There is no incentive to purposefully delay the issuing of a patent. It just eats the patent term and it is costly to keep the application alive. If an applicant choose to keep the application alive at the tremendous cost (filing fee and attorney's fee), the applicant must have good reasons and carries the burden for his choice. There is not reason for PTO to judge the appropriateness of applicant's choice. The situation described in a commentator's articles are irrelevant to the current situation after the 1995 rule change, because of the patent term and because of the publication of the application and its prosecution process.

The premise that an application is voluntarily filing continuation application for the sole purpose of delaying the issuance of his patent is simple ridiculous. Any time of delayed issuance of a patent is patent term lost, and extra money wasted.

One of such reasons can be to catch a known competitor. In such a case, the competitor is likely to know the pending application too, because the prosecution is open to the public. The dispute will eventually be decided in court. What PTO does has very little impact regarding the infringement or validity.

2. Submarine patent, uncertainty of patent claims.

Once one application is issued, any subsequent application prosecution is open to the public and available on the public PAIR. There is no problem of "submarine" patent as far as the continuation applications are concerned, be it CP, CIP, Divisional or RCE. The pending claims, the arguments between the examiner and the applicant are all publicly available on public PAIR during the prosecution, not after. Anyone interested in the particular patent application can monitor its progress. If there is a dispute related to the patent claim, such dispute will have to be resolved in court regardless what happened in PTO.

3. Continuation application does not cause the back log, and its restriction will not solve the back log.

It appears that PTO asserts that examining continuation applications overly burden the examiners. But there is no evidence that such is the case. From my sense as an attorney, it takes much less time to examine a continuation application than an original application.

The examiner does not have to spend time to read the specification, get familiar with the prior art and arguments again. It takes less time on the part of examiner to dispose the application than a regular new application, but the applicant pays just the same fee as other application. If there are more continuation applications, then the back log should be shortened on per application basis.

4. Continuation applications are paid the same examination fees and should be treated the same. To discriminate them which are paid the same fees as the original filing is arbitrary and unfair.

5. The proposed change will not solve the back log problem. The volume reduction is too small.

From PTO's own statistics, the second or subsequent continuation applications are 11,800 out of 369,000 total filings in 2005, or about 3% of the total filing. Even if all second and subsequent continuation applications are eliminated, the reduction of total filing is only 3%. This is too small a return in view of the cost, which is the cost presenting a reason why the continuation is necessary or a petition.

6. The proposed change will not reduce the work load on the Examiner corps, only increase the work load, or shift the work load from the examiner to the commissioner. The change increases cost to applicants and hurts cost sensitive applicants.

For those applicants who file second or subsequent continuation application, there are economic reasons do to so. The rule change does not eliminate such reasons or needs. So such applicants will continue file such applications.

It could double the work for examiners. In addition to exam the application on the merit, the examiner will also has to consider the legal/factual issues whether the applicant was reasonable in presenting the new claims in the new application. Such new task, legal and evidentiary in nature, is not within examiners' expertise, which is searching prior art and comparing the claims to such prior art. Examiners may have to spend more time on these issues and the commissioner will have more work because of more petitions.

The rule change increases the cost of filing second or subsequent continuations, because the applicants have to pay more to their attorneys or agent to present the reasons why the application should be allowed and petition the commissioner if necessary. This increase in cost will impact on cost sensitive applicants, such as individuals or small businesses.

7. The proposed change obscures the real cause of the back log problem: the examiners and their working condition.

The PTO is planning to hire 1000 examiners in FY 2006-2008, which is about 27% of the current examiner corps of 3700 examiners. The increase in filing or expected increase will not be more than 9%. So if the examiners are working at the PTO, then the PTO's examination capacity increase will cut the backlog very soon. The current examination capacity in 2005 is 280,000 case disposals, while the backlog is 590,000, about two-year's worth of examination capacity. The new filing is 385,000 cases, which is 38% over the PTO's current capacity. But if PTO's hiring is kept up (in all indication, there is no problem), the PTO's capacity will catch up with the new filings in less than two years and may have overcapacity later on.

The problem at PTO is not that nobody wants to work there. The problem is that too many people who work there soon want to quit. The attrition rate is way too high. In FY2004, 443 (12%) examiners were hired and 336 (9%) left. Total change is 21%. In FY2005, the situation is worse: 959 (26%) hired and 425 (11%) left. Total change is 37%.

If the attrition rate can be reduced to half of the current rate, ie. 5.5%, then the PTO's capacity will increase 5.5% and its productivity will increase even more, because the persons retained are more experienced and more productive.

8. The proposed rule change will get rid of examiner's "fat", make it even harder for examiner to exam cases. This will make examiner's job harder and give them more reasons to quit, which will make the attrition problem worse, which in due course makes the back log problem worse. In short, the proposed rule change may aggravate the backlog problem rather than lessen it.

#### Comments on claim examination.

1. Multiple applications presumption, irrational.

If the rule is adopted, it simply pushes applicants to file a single application with many claims and let the examiner to sort it out.

There is incentive to file a single application, it saves filing fee and maintenance fee, and avoid the double patenting issues. Currently, the reason to file multiple applications is to gain a little speed and save the patent term. By filing multiple applications, the applicant has already lessen the burden on the examiner to separate distinctive inventions. If the presumption is "no distinction," then applicant will simply not file multiple applications. There can be a decrease in the initial patent filing but a *big* increase in divisional applications if the examiner does his job and restrict the claims. If not, the examiner just has to do more work (examine more claims) with no additional pay (less filing fees).

This rule will simply worsen the examiner work load.

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