CATERPILLAR®

Caterpillar Inc.
100 NE Adams Street
Peoria, Illinois 61629

May 3, 2006

VIA FACSIMILE
Attn: Robert W. Bahr

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

Comments on Proposed Rules
Published at 71 Fed. Reg. 48 and 61 (January 3, 2006)

Dear Honorable Secretary Dudas:

Caterpillar appreciates the opportunity to offer comments regarding regulatory changes proposed by the U.S. Patent and Trademark Office ("PTO"). Caterpillar supports the PTO in its efforts to reduce the pendancy of patent applications and improve the quality of issued patents. The initiative to establish reasonable limits on the use of continued examination filings is long overdue. Certainly, where applications are kept pending for a significant period of the twenty-year term, those whose investments in technology and manufacturing create domestic jobs are exposed to risks little different from the "submarine" patents possible just a few years ago. We strongly object to the misuse of continuation practice that abuses the patent system and, moreover, stretches the limited examination resources of the PTO.

The publication of about 90% of patent applications in the U.S. provides some transparency to the content of pending applications. This is not a substitute, however, for the greater certainty afforded by a final demarcation of patent rights through an efficient and quality patent examination. Nor does it account for those 10% of patent applications that are not published at 18 months and thus remain confidential until a patent is granted. Although we support a limit on continued examination filings, the proposed limit of one, with a very narrow exception provision, is too limited to cover the legitimate needs of many applicants. Even when examiners and practitioners are making their best efforts, relevant prior art, amendments, arguments and evidence will not necessarily come together and it may take longer in some cases to arrive at the critical determination of

patentability. Accordingly, we favor providing applicants with two opportunities to file a request for continued examination, but only one opportunity to file a continuation or continuation-in-part application, so that the focus of examination remains on the same invention.

Even with a limit on continued examination filings, we do not believe that this will fully address the problems created by those who may abuse the system. Accordingly, Caterpillar supports the PTO in its search for other practices that will improve the focus and efficiency of the patent examination and its other processes for all. We also support the efforts by Congress to improve our country's intellectual property system.

We are concerned, however, that some of the PTO's other proposals are unwise, because they divert scarce examining resources and create unnecessary and inappropriate burdens for its customers. The proposed provisions going to a presumption that certain related applications contain patentably indistinct claims is one such example – there seems little reason or justification for all applicants to deal with these complex procedures and practices where only a small minority of applications present any unique difficulty. The optional submission of an examination support document under proposed section 1.261 is another example – it ultimately burdens applicants with respect to search of the prior art and examination of the claims in the application. At a minimum, we believe the PTO should further test these new concepts, perhaps in a pilot program, before adopting either one. While we remain very skeptical of these particular changes, a test will at least clarify that any change will provide at least some of the benefits that the PTO has predicted.

Caterpillar believes strongly that the United States needs a healthy examination system that is performed by the PTO, and we strongly support PTO efforts to improve quality.

Very truly yours,

William B. Heming
General Patent Counsel
Caterpillar Inc.
(309) 675-4452
(309) 675-1236 fax