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To: AB94Comments

Subject: Changes to Practice for the Examination of Claims in Patent Applications

The proposed changes to practice for examination of claims in patent applications are the wrong solution to the backlog problem. The increasing backlog of pending patent claims has a fundamental cause: the rate of processing of patent claims has not kept up with the filing of patent claims. In slang terms, the “goes-outs” do not equal the “goes-ins.”

There are only 2 possible solutions: (1) increase the rate of patent claim processing, or (2) decrease the quantity of patent claim filing. The proposed changes are aimed at choking off the inflow of patent claims (i.e., a reduction in innovation protection). All the negative effects associated with any hurdle to innovation can be expected from the proposed rule changes. Choking off the inflow of patent claims, whether by refusing to examine certain claims or by increasing the effective cost of a patent claim, is bad for the economy. The impacts can be imagined - American innovation would be exposed and vulnerable. With protection becoming more difficult/expensive, the risks of invention would quickly outweigh the benefits, and innovation will be reduced to a slow crawl.

Concept of Representative Claims Does Not Translate from BPAI/Courts to Patent Application

Representative claims used in processes before the Board of Patent Appeals and Interferences (BPAI) and the courts are possible because they are selected in view of known asserted prior art. Distinguishing characteristics of the invention can be identified, claims grouped based on said distinguishing characteristics, and claims representative of the purported distinguishing characteristics intelligently selected and debated.

In contrast, a patent application is submitted in the face of uncertain prior art. The specific characteristics which are important in distinguishing the invention over the art is unknown until the art is identified by search during examination. Determining which claims will be representative over the art is merely an educated guess, unlike the BPAI and courts processes. Statistics set forth regarding the number of representative claims typical in 500 applications on appeal makes sense only in the context of the asserted art being known prior to selecting the representative claims – and is not transferable to, and may even be nonsensical with respect to, initial examination of a patent application where the art to be asserted is yet to be discovered.

Every claim is an educated guess at what features will ultimately be patentable over uncertain art. Limiting representative claims to ten (10) effectively reduces the value of a patent application by one-half (i.e., from 20 claims to 10) causing the number of patent applications filed to increase to achieve similar claim scope. The cost for obtaining the protection of 20 claims will double, economically choking off innovation, and impacting small businesses and independent inventors as if patent fees were doubled.

The Proposed Process for Examining Additional Claims is Backwards

The proposed rules suggest that additional claims (i.e., non-representative dependent claims) will only be examined if the broadest claim(s) initially examined are found patentable. If a representative broader claim is found patentable, all claims depending therefrom are patentable, and further examination of the dependent claims is essentially trivial. The work saved by delaying examination of claims depending from patentable claims is nil (unless patent examiners are not considering claims in an order from broad to narrow).

Contrary to the Office's assertions, dependent claims may stand but do not fall together with the broader claim (i.e., independent claim) from which they depend. It is not unusual for a broad claim to be unpatentable and a dependent claim, having an additional limitation, to be patentable. Therefore ignoring the patentability of dependent claims when a broader claim is NOT patentable makes the additional claims (i.e., non-representative dependent claims) essentially worthless – examined only when trivial and not examined when they may be the only patentable claims. This is backwards!

The “non-representative” claims should be examined when they depending from a rejected representative claim, which means a second examination iteration with an accompanying delay – which effectively defeats any efficiency in the representative claim concept.

Examination Search Document (ESD) Overly Burdensome As Proposed

The Office relies on an estimate of \$2,500 for a patent novelty search, analysis and opinion from a 2003 AIPLA report. This cost ignores 3 years of inflation, the additional attorney time to complete other ESD requirements beyond a typical novelty search (i.e., (1) method of search statement; (2) IDS; (3) ID of all limitations disclosed by references; (4) a “detailed explanation” of patentability over cited references; (5) statement of utility; (6) showing of support in the specification). Nor does the estimate account for the additional risk of inequitable conduct (i.e., malpractice insurance premium increases) for attorney's having to prepare ESDs. The AIPLA estimate does not reflect the search price increases that will inevitably accompany the increased demand for search services as the Office shifts work to the private sector. The true cost to fully prepare an ESD will likely be 2 – 3 times the \$2,500 figure used to conclude no adverse impact to small entities.

Using the present fee schedule, a small entity pays \$500 to have 20 claims of a patent application examined (basic filing fee + utility search fee + utility exam fee). Even if the \$2,500 estimated cost for an EDS is accurate, the small entity cost to have 20 claims examined will be \$3,000 (\$500 + \$2,500), a 600% increase over current costs. I respectfully submit that proposed changes resulting in a 600% increase in the small entity cost to have 20 claims examined does not support the Office's conclusion that such changes “will not have a significant economic impact on a substantial number of small entities.” If the cost of an ESD is even more, the impact is correspondingly worse.

Having to amend the ESD for any claim amendments will further burden applicants and examiners.

One Month Insufficient Time to Prepare ESD

If an application contains, or is amended to contain, more than 10 claims designated for initial examination under the proposed rules where an ESD is required but inadvertently omitted, the one month, non extendable time period for reply is grossly insufficient. The effect of the ESD rules is to shift searching work to the private sector to relieve the backlogged Office. One might expect the demand for private searching service to grow, accompanied by delays. The Office has backlog in the neighborhood of 2 years, allegedly attributable to the burden of searching claims. Shifting that burden to the private sector and expecting the same searches be accomplished, along with all the other work ancillary to an ESD submittal, within an non-extendable one month period from the notice date is clearly unreasonable.

Three (3) months, extendable to six (6) months, is necessary to accomplish the proposed requirements of an ESD.

Additional Examiner Burden

Examiners will be tasked with examining the ESD for compliance and sufficiency – adding to their workload (or eroding any search efficiency gains).

Questions

How will the process for changing the representative claims designation be handled? For example, can an applicant change a representative claim designation after a first office action, designating a new representative claim in response and thus triggering a new search? If a new search is conducted for the newly designated representative claim, is a final office action precluded if it includes the first action on the new representative claim? Won't this delay prosecution?

Suggestions

TWENTY (20) REPRESENTATIVE CLAIMS. Ten (10) representative claims is not enough. At a minimum, the number of representative claims should be 20 – the same as the number of claims included in the base examination fee. If limiting patent applications to ten (10) representative claims is a good solution for reducing the backlog, then limiting representative claims to five (5), or even one (1), is an even better “solution.” Why not a moratorium on patent applications until the Office catches up? Surely, the folly in attempting to stifle innovation to match the Office’s capabilities is evident when illustrated by exaggeration. The only long-term effective solution to the backlog problem is to increase patent application processing rate in excess of filings. Almost any viable

business in America would increase production to meet demand, rather than trying to limit demand to match some pre-defined production rate.

MEASURE EXAMINER PRODUCTIVITY BASED ON CLAIM QUANTITY RATHER THAN APPLICATION QUANTITY. The patent examiner evaluation policies of the Office should be indifferent to whether a large number of claims is contained in one, or several, applications. Therefore, it should be based on claim quantities, rather than application quantities.

EFFECTIVE DATE SHOULD NOT BE RETROACTIVE. The Office recognizes that making the changes in the final rule also applicable to certain applications filed before the effective date will cause inconvenience to some applicants. I suggest that the potential impact to applicants of having the rules change retroactively is more than mere inconvenience. Substantive patent rights could be lost. Considering proposed changes to continuing application practice, an applicant's opportunity to recover from any "inconvenience" these rule changes cause may also be severely curtailed. The only reasonable approach would be to NOT apply these changes to applications actually filed prior to the effective date of these proposed changes. The burden on the Office in examining applications prepared under a vastly different set of rules would also be less.

CONTINUATION PRACTICE. The negative impact of the proposed claim examination procedures is compounded due to the reduced opportunity to have unexamined claims prosecuted due to proposed changes to continuation practice (AB93).

Conclusion

The proposed rules attempt to make examination "faster" and "more effective" by limiting the quantity of work to be done. Limiting demand for the Office's services should not be confused for improving the patent application process.

Sincerely,

Dan Dettlaff