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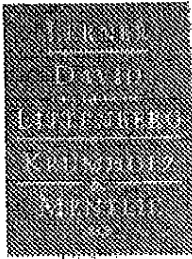
Please see our comments attached.

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 PATENTS, TRADEMARKS, COPYRIGHTS & UNFAIR COMPETITION

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May 2, 2006

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Re: Comments Concerning Notice Of Proposed Rule Making
 Docket No.: 2005-P-067
 RIN 0651-AB94
 Changes To Practice For The Examination Of Claims In Patent Applications

Lerner, David, Littenberg, Krumholz & Mentlik, LLP ("LDLKM") respectfully submits the comments below with respect to the above-referenced Notice of Proposed Rule Making (hereinafter the "Examination Notice"). The Continuation Notice is accompanied by a separate Notice of Proposed Rule Making, Docket No.: 2005-P-066, RIN 0651-AB93 Changes to Practice for Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims (hereinafter the "Continuation Notice"). As addressed below, certain aspects of these two notices interact with one another, and should be considered together.

LDLKM is the largest intellectual property law firm in New Jersey. LDLKM includes over sixty lawyers, the vast majority of whom are registered to practice before the United States Patent and Trademark Office (the "Office"). LDLKM represents diverse clients ranging from individual inventors to some of the largest corporations in the world, both before the Office and in the courts, and represents both patentees and parties accused of infringement. LDLKM, therefore, is cognizant of the interests of parties with diverse interests in the patent system. However, the present comments are offered solely on behalf of LDLKM and are should not be construed as reflecting the views of any client of LDLKM.

LDLKM shares the concerns raised by the comments submitted by the American Intellectual Property Law Association (AIPLA) and offers the following additional comments.

The Examination Notice imposes severe penalties on an applicant who files 10 or more independent claims, either in a single application or in a set of related applications. One part of the Examination Notice sets up what appears to be a sensible, beneficial procedure, namely, that the applicant must designate representative claims for initial examination, and that the examiner will confine his or her work to those initial claims until the application is otherwise in condition for allowance. Proposed 37 C.F.R. § 1.75(b). Under the proposed rule, however, all independent claims are automatically designated as claims for initial examination. If the applicant designates more than 10 claims, he or she must submit an "examination support

Comments re Examination Notice



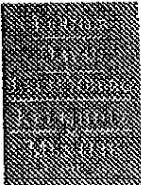
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document" under proposed 37 C.F.R. § 1.261. The examination support document requires that the applicant conduct a pre-examination search as to all of the designated claims encompassing "U.S. patents and patent application publications, foreign patent documents, and non-patent literature" (proposed 37 C.F.R. § 1.261(b)), and essentially write rejections and responses on every conceivable ground of rejection which an examiner might propose during examination. Thus, the applicant must make admissions as to "all the limitations of" each designated claim that are disclosed by "each reference cited," state the "utility of the invention" as defined in each claim, and present a detailed showing as to where "each limitation of" each designated claim finds "support" under the first paragraph of 35 U.S.C. § 112 in the written description of the specification and in the written description of any prior application. (Proposed 37 C.F.R. §§ 1.261(a)(3)-(a)(6).) The cost of preparing such a document (apart from the cost of the search) would be very substantial, at least \$15,000 in a significant application, based upon our experience in preparing similar analyses for other purposes as, for example, in a patentability opinion or in a statement under 37 C.F.R. § 1.607 relating to claims proposed for interference. Moreover, such a document would require the applicant to make binding admissions as to the scope of his or her claims and how they apply to the references. Basically, applicants would be required to examine their own applications and reply to straw-man rejections which an examiner would never advance during real examination. The applicant thus would incur significant prosecution history estoppel beyond anything which might occur in real examination.

From proposed 37 C.F.R. § 1.75(b) alone, it would appear that only a few applications would be subject to these requirements, inasmuch as very few applications contain 10 or more independent claims. However, when proposed 37 C.F.R. § 1.75(b) is taken in light of the other rules proposed in the Continuation Notice, it is clear that an examination support document will be required in many or most patent applications filed by startup companies or other new entrants in a particular field of technology. If two or more non-provisional applications have the same filing date "taking into account any filing date for which a benefit is sought under Title 35 of the United States Code," name at least one inventor in common, and contain "substantial overlapping disclosure," there is a "rebuttable presumption" that the two applications contain at least one claim which is not patentably distinct from at least one of the claims in the other application. See Proposed 37 C.F.R. § 1.78(f)(2), Continuation Notice, 71 *Fed. Reg.* at 60-1. If that presumption is not rebutted, then the two applications will be treated if they were one application for counting designated claims. Examination Notice, proposed 37 C.F.R. § 1.75(b)(4). In most complex technology development projects, and particularly in the normally disorganized creative ferment which occurs when a new startup is formed, one or more initial provisional applications spawn several non-provisional applications, which, in the aggregate, include more than 10 independent claims. The non-provisional applications often will include substantial overlapping disclosure, which disclosure may be needed for compliance with 35 U.S.C. § 112. The non-provisional applications normally will have at least one inventor in common. Almost always, the various non-provisional applications will claim the common filing date of the earliest provisional. This is the rule rather than the exception for a new entrant in a particular field of technology, such as a startup company.



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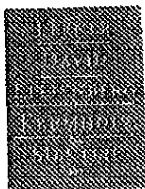
Thus, the applications filed for most complex projects, including those filed by startup companies, will be subject to the onerous examination support document requirements. Establishing that the claims of all of the applications are "patentably distinct" from one another would require thousands of dollars' worth of pleadings. Moreover, those pleadings most likely would be futile. The examiners will have no incentive whatsoever to find that the claims are all patentably distinct and every incentive to uphold the "rebuttable presumption."

All of this will ensnare applicants and the Office in a vast and ultimately unproductive exercise arguing over what is and is not "patentably distinct." Under current practice, the Office has authority to require an applicant to cancel claims which are not "patentably distinct" from multiple applications, but this authority is rarely exercised, because there is little reason to do so. Under current practice, the issue of whether two or more inventions are or are not "patentably distinct" most commonly arises in the context of a restriction requirement. There are relatively few petitions from restriction requirements because it is often less expensive for the applicant to simply file a divisional application than argue the point, even where the applicant considers the requirement to be incorrect. Under the proposed rules, with so much at stake in the argument over whether claims are or are not patentably distinct, petitions will be the rule rather than the exception. Here again, the proposed rules will increase greatly the amount of unproductive work for the Office as well as for applicants.

The proposed requirement for an "examination support document" is based on the notion that "if the number of representative claims is greater than 10, the Office will require the applicant to share the burden of examining the application by submitting an examination support document covering all the representative claims." Examination Notice, 71 *Fed. Reg.* at 62. The statute does not provide for any such "sharing." The statute charges the Director with the duty to "cause an examination to be made of the application . . ." 35 U.S.C. § 131. There is simply no statutory authority for the Office to require searching and examination by the applicant of his own application.

Additionally, the requirement for an examination support document, and a mandatory pre-examination search by the applicant, sets up a system which would actually encourage substandard work. The applicant would be better off by using a poor searcher who can satisfy the bureaucratic requirement to conduct a search without finding much relevant art. The applicant would not violate his or her duty of disclosure, because he or she does not know about the art which the sloppy searcher did not find.

We are fully aware of the severe problems which are faced by the Office in dealing with its workload. But instead of trying to shift the burden of examination onto applicants, the Office should focus on what has always been its strength, and build that strength: a corps of long-term career examiners who are truly experts in their respective fields. There is no substitute. If the users of the patent system need to pay additional fees to support the kind of pay and prestige which will attract and retain these people, so be it. These fees can be "back-loaded" into later year annuities, so that they will be paid primarily by patentees with



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commercially valuable patents. Moreover, the Office should continue the fine work done in its automation efforts. These automation efforts should begin to bear fruit in increased productivity. Whatever can be done to provide a more effective interchange of information with foreign patent offices should be done. Any of these alternatives would be preferable to the proposed rules as set forth in the Examination Notice.

Respectfully submitted,

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