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From: Richard Berg [mailto:rberg@ladas.com]

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To: AB93Comments

Cc: John Richards

Subject: Comments on proposed changes to continuation practice

May 3, 2006

Ladas & Parry LLP's comments on the proposed Changes To Practice for Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims can be found in the accompanying PDF document.

Thank you,

Richard Berg



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May 3, 2006

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
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Attention:
Robert W. Bahr
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Office of the Deputy Commissioner for Patent Examination Policy

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. 61 (January 3, 2006)

Dear Under Secretary Dudas:

The Ladas & Parry LLP appreciates the opportunity to offer comments regarding the U.S. Patent and Trademark Office ("USPTO") proposed rules directed to changes to practice for the examination of claims of patent applications published at 71 Fed. Reg. 61 (January 3, 2006).

Ladas & Parry LLP is a multi-national law firm which specializes in intellectual property matters. The lawyers and patent professionals of Ladas & Parry LLP are licensed to practice not only in the United States but also in a number of foreign jurisdictions, including the European Patent Office, the United Kingdom Patent Office, the French Patent Office, the German Patent Office, the Italian Patent Office, and the Canadian Patent Office, to name a few. Ladas & Parry utilizes competent foreign associates in every other jurisdiction of the world. This in house expertise coupled with the experience of our foreign associates gives us a unique perspective on how patent practice is accomplished across a wide range of jurisdictions. Our lawyers have been called upon over the years to help draft intellectual property legislation in a number countries.

General Comments

The USPTO has proposed dramatic and complex changes to the claim examination process to allegedly "focus its initial examination on the claims designated by the applicant as representative claims" presented in a patent application.

At the same time, it has also proposed changes to the current continued examination practice available to applicants (discussed by Ladas & Parry LLP in a separate letter) to allegedly expedite the examination process, make it allegedly more efficient, and allegedly improve the quality of issued patents.

We recognize that the PTO has a problem with the work load that it currently has to handle and that it faces the difficult tasks of improving the quality of examination to meet the criticisms that have been expressed in the media, training new staff and dealing with increasing numbers of applications each year. However, wholesale changes of the type proposed are likely to make matters worse. One has only to recall the reaction to the 1996 change in patent term to note that when applicants believe that there is a risk that rights may be lost by a change in law, the natural reaction is to file a few "spare applications" to make sure that one has something to fall back on. As a practical matter, it is not difficult to draft such applications in a way that will comply with whatever limitations the PTO seeks to impose. Similarly when the Festo decision came down this provoked an increase in the number of claims filed as practitioners sought to ensure that their client's rights were not lost. In the present proposals, the PTO has we believe failed to appreciate the likely response from applicants. We believe that such response will probably increase the PTO's difficulties rather than reduce them. Indeed, these proposed changes, taken both individually and together, are very troubling. Ladas & Parry LLP believes that there are far simpler solutions to the issues posed by the USPTO.

In the first rule proposal the Office proposes to severely limit the number of claims it would accept in an application for initial examination by the Office. We note that other patent offices function well without artificially imposing such a limit which we believe would tend to limit the ability of an applicant to obtain claims for an invention that is commensurate with the full scope of the contribution by the inventors. Moreover, the USPTO has not considered other alternatives, such as changing the manner in which excess claim fees are charged to encourage patent applicants to present claims in a compact format, utilizing multiply-multiply dependent claims, for example. Most other countries permit the use of multiply dependent claims that depend from other multiply dependent claims and our experience is that this seems to work well. As a practical matter, when claims are drafted in this form, the examiner essentially has to consider the feature of such a claim only once since any combination of that feature with the feature of a claim on which it is dependent will result in the examiner being able to

reject the claim and it will not be necessary for the examiner to work his or her way through every possible combination of features.

Practice in the United States differs from that in other countries in that here there is a possibility that the meaning of the claim will ultimately need to be explained to a jury and this results in the feeling that the applicant needs to be able to express the invention in different ways (while recognizing that the doctrine of claim differentiation means that there must be some actual difference in scope between claims). This concern is justified and means that an approach similar to the European Patent Office's rules limiting the number of claims permitted in each claim category are not appropriate in the United States. However, a pricing policy which increases the fees for additional independent claims in the same category could cause applicants to think seriously about whether such additional claims are worthwhile. On the other hand, adoption of the "common inventive concept" approach to restriction requirements as is done in PCT national phase entries could have the effect of simplifying prosecution by having the same examiner deal with all issues related to that inventive concept only once, rather than having to have similar issues considered separately in various divisional applications.

In the other rule proposal, the Office proposes to severely limit the opportunity for continued presentation of claims by means of continuation and continued examination practice. The USPTO has other rules and practices in place which tend to increase the work, which the USPTO characterizes as "rework", but the USPTO blames patent applicants for such "rework" and suggests even more rules to address this issue.

There are a number of different reasons why applicants file multiple continuations or RCE's. These include:

- 1) problems in getting an examiner to understand the issues;
- 2) the need to produce evidence to rebut a prima facie case of obviousness;
- 3) a change in understanding about what the important features of the case may be either following discovery of new prior art that was not known at the time of filing or as a result of changes in the marketplace;
- 4) the desire to have a "spare application" in being in case one needs to refocus the invention at some point in the future;
- 5) the desire to secure early protection for what the examiner initially sees as patentable while continuing to fight for broader protection to which the applicant believes he or she is entitled but the examiner views differently.

All of these are legitimate reasons on which the PTO's proposals would have an unfair impact.

Other countries' patent offices seem to function very well without a continuation practice such as is found in the United States. We believe that the USPTO desire to adopt "compact prosecution" fifty years ago has had a lot to do with the current state of affairs. Instead of reworking continuation and continued examination practices, the USPTO should, at the very least, study the prosecution procedures of the other major patent offices to see what could be learned from patent prosecution in a substantially "continuation free environment."

The internal procedures used at the USPTO tend to encourage the filing of needless continuation applications and the filling of needless requests for continued examination (RCEs). We understand that the USPTO uses a system called "Balanced Disposal System" which allegedly measures the productivity of Examiners. But this very system encourages examiners to try to force applicants to file continuation applications or RCEs in situations which would almost never occur in other jurisdictions. This is because, in the U.S., examiners are rewarded for forcing applicants to file such continuation applications or RCEs, thereby encouraging in the very activity which you tell us is wrong. The system which the USPTO uses to measure examiner productivity is fatally flawed. The USPTO should, at the very least, study the measures adopted by the other major patent offices to gauge how to measure examiner productivity without rewarding them for triggering the filing of needless continuation applications or needless RCEs.

A reappraisal of the way in which examiners' targets are set moving away from achieving a certain number of disposals to a more qualitative evaluation with a reward for bringing matters to a focused ending quickly (including the possibility of suggesting claims he or she sees as allowable (as is done in some other countries)) might be more effective in increasing the PTO's throughput than curtailing the applicants right to use the tools to which he or she is accustomed. Any change of the type proposed is likely to have significant unintended consequences which will be compounded by the need for radical rethinking by both examiners and practitioners which will cause difficulties for years until the courts tell us what is or is not permitted.

We also believe that this proposal by itself would be disadvantageous to applicants by prematurely truncating prosecution of their applications. It would further disadvantage applicants when combined with the limited number of claims proposed to be accepted for initial examination. Together, as a practical matter, these proposals would tend to require applicants (1) to reduce the scope of the claims pursued (whether in the same or unrelated applications) and (2) to accept more narrow claims as a result of the more limited opportunity for continued presentation of claims.

We support efforts by the USPTO in taking steps to become more efficient and to improve the quality of issued patents. But instead of looking at the procedures which appear to work very well in other major patent offices, the USPTO suggests going off in a totally new direction with proposed changes that in all likelihood will not lead to

greater efficiency in the examination process, will not reduce the pendency of patent applications, and will not improve the quality of issued patents. More likely, the proposed changes would protract the examination process and lead to still more mindless, but expensive, churning of paper.

Remedying the Backlog

The Federal Register notice announcing the proposed changes to the continued examination practice seeks to justify the changes, in large measure, on the need to reduce the PTO's backlog of pending patent applications. The proposed rules limiting the number of claims to be examined are the wrong way to attack this problem.

In testimony before the House Judiciary Subcommittee on Courts, the Internet and Intellectual Property on April 3, 2003, then Under Secretary James Rogan made the following statement in respect to the PTO's 21st Century Strategic Plan:

The 21st Century Strategic Plan is targeted toward timeliness, e-Government, employee development and competitive sourcing - all with a central quality focus. Assuming the needed changes to our fee structure are passed by Congress, the plan will boost productivity and substantially cut the size of our inventory.

Congress did increase patent fees and the USPTO hired approximately 1,000 new patent examiners in FY 2005 and plans to hire 1,000 more for each of the next four years. We understand that the USPTO has experienced difficulties in training and retaining new examiners. Well, one reason could be that the USPTO seems to be hidebound to staying in the Washington, DC area. We cannot help but note that the European Patent office seems to be able to function well having office distributed over a number of cities and we believe that if the USPTO adopted a similar solution that not only would the quality of the examining corps improve, since the USPTO would no longer be forced to find Examiners solely in the Washington, DC area, but the USPTO would be able to provide better service to its customers located throughout the United States. We would suggest the establishment of satellite patent offices in cities such as Denver, CO, Salt Lake City, UT and Dallas, TX.

Of course, establishing satellite patent offices and hiring more new examiners is not an immediate panacea for reducing the backlog of pending applications. But a good long term solution is a better solution than is an ill-conceived, untried remedy. The USPTO should not to adopt ill-considered rules in an effort to achieve an instant over-night fix for a problem that has been a long-time in the making and which requires a long term solution. And establishing regional patent offices might also help with problems which we encounter frequently in terms of examiners who are ill-prepared to handle a

discussion in the English language or who come from a country where questioning the opinion of a government employee is something which is not lightly done.

If a short term solution is really needed, then the USPTO should farm out the search functions to other patent offices and then do a "top-off" search locally. International searches are pretty good and since the USPTO recently convinced the Korea Patent Office to perform searches on US-origination PCT applications, then perhaps the Korean Patent Office could be engaged to help search other US-originating patent applications.

Abusive Use of Continuation Practice

The applicant should never be prohibited from the filing of a narrower continuation application or from filing a RCE with the same or narrower claims. The best prior art sometimes only appears through the assistance of other Patent Offices, through the work of a new examiner, or even through a discovery of new prior art by the same examiner. If new prior art is found late in the game, the applicant should be able to narrow his or her claims to address such art.

If the filing of a broadening continuation application is a big issue, there must be a better solution than that set forth in the proposed rules. Consider, for example, imposing either a two year time limit for attempting to broaden claims (using the broadening time limit which currently applies for filing broadened reissue claims, but applying that time limit to other situations) or charging a very high official fee for such applications. Of course, such changes may well require Congressional approval, but the same can be easily said for the charges currently proposed by the USPTO.

Public Notice and Delay

The Federal Register notice expresses the USPTO's apparent concern that the possible issuance of multiple patents arising from a process of multiple continued examination filings "tends to defeat the public notice function of patent claims in the initial examination." Has the USPTO done anything to verify or to substantiate that fear? Or is this merely some ill-thought out rationale for an ill-conceived solution to a problem of questionable validity? Whatever the validity of this observation may be, it should hardly be a concern today, now that about 90% of patent applications are published and the prosecution of those applications is transparent to the public.

The Office estimates in the Federal Register notice that the proposed change would reduce continued examination filings only by about 22,000. It is suggested that the USPTO needs to consider the fact that a large number of continued examination filings could be eliminated by simply changing the way examiners are credited with points so

that they no longer receive bonus points for forcing patent applicants to file needless continuation applications or RCEs.

The USPTO estimate certainly does not take into account, however, alternative strategies that practitioners doubtless would develop to best protect an inventor's interests under the new rules, if adopted. For example, we suspect that practitioners will file many more applications and will make greater use of reissue and reexamination to reshape and reinforce patent protection. The amount of work which needs to be done will not change, it will just fall into a different category and be called by a different name.

Statutory Authority To Adopt Proposed Rules

In the proposed § 1.78(d)(1), the PTO would limit applicants to a single continued examination opportunity unless an applicant can show, to the satisfaction of the USPTO, why any amendment, argument, or evidence to be presented in a second or subsequent continued examination filing could not have been previously submitted. These rules would effectively limit the rights provided in §§ 120, 121, and 365(c) of Title 35 to claim the benefit of an earlier-filed application in the United States and to make use of the continued examination opportunities under § 132(b).

Such rules changes are clearly non-statutory. They are also unconstitutional. The constitution limits the ability of the Executive Department of our Government to make new laws. The Congress has delegated some law-making ability to the Executive Department through the Administrative Procedures Act (APA), but that act makes it clear that Executive Department must fall squarely within the scope of the Statute which authorizes Executive Department rule making.

The statutory language in §§ 120, 121, and 365(c) is clear and unqualified: when certain conditions are satisfied, a continuing application "shall have the same effect" or "shall be entitled" to the benefit of the earlier filing date of a parent application. These statutory provisions are unqualified by any authority of the USPTO to modify or add to the requirements by its ability to make new law under the APA.

Flawed Analysis

In its commentary providing supplemental information on the proposed rules, the USPTO makes several statements that lack foundation and that simply do not justify the proposals made by the PTO at this time. Consider the following statements:

1. "The revised rules are expected to make the exchange between

examiners and applicants more efficient and effective, and improve the quality of issued patents.”

71 Fed. Reg. at 50.

The efficiency of the exchange between examiners and applicants is often dependent on whether the search and examination are complete and thorough. Often patent lawyers and agents are faced with an Examiner who effectively tells the applicant:

“Your claims are anticipated by references A, B and C, but don’t expect me to point out why that is so. You figure it out and file a response.”

The present rules of practice spell out what an examiner is supposed to do (see, e.g., 37 CFR 1.104), but applicants have little recourse in effectively requiring examiners to follow those rules. But if the USPTO really wanted to “make the exchange between examiners and applicants more efficient and effective, and improve the quality of issued patents,” the USPTO would start by expecting its examining corps to follow the rules of practice with the same earnestness that it expects from its licensed professionals appearing before the office. As things presently stand, 37 CFR 1.104 is ignored by far too many examiners. If the USPTO wants to improve matters, the focus of the inquiry needs to start at home.

2. “For an applicant faced with a rejection that he or she feels is improper from a seemingly stubborn examiner, the appeal process offers a more effective resolution than seeking further examination before the examiner.”

71 Fed. Reg. at 51.

That is certainly one way of looking at the situation. The reality, for the typical patent applicant, is very different. Appeals are expensive. It takes much more effort to write an effective appeal brief than it does to write an effective response to an official action. Examiners know that appeals are expensive. Even so the number of appeals filed by our firm has dramatically increased in the past several years. But few of these appeals even reach the Board of Appeals. Why? Because it seems that some examiners wait to see if an applicant has the fortitude to write and file an appeal brief before the application is really examined and the cited art is considered in earnest. It is very unfair to patent applicants to force them to write an appeal brief in order to get a fair examination of the application by the examiner. If an examiner allows an application in response to an appeal brief or reopens examination in response to an appeal brief, then the examiner’s actions should automatically be subjected to a quality review analysis. If the examiner has the temerity to file an answer and then loses on all counts at the Board, that is another signal to the USPTO that something may have gone very wrong during the examination process.

Forcing applicants to write an appeal brief to get a fair examination by the examiner represents an enormous waste of time and applicants' money, and the situation would only be made worse by adoption of the proposed rules.

Specific Comments on Proposed Rules

The proposed requirement that second or subsequent continued examination filings be supported by a showing as to why the amendment, argument or evidence could not have been previously submitted improperly shifts the burden to an applicant and is impermissibly vague. There is no support in the patent statute for such a shift of burden. Further, it is entirely unclear what types of amendments, arguments or evidence would satisfy this criterion. Indeed, the only amendment which "could not have been previously presented" is one which **was** and still is improper, such as an amendment including new matter. The logical result is that any proper amendment "could not have been previously presented" and thus will not be allowed in a second or subsequent continued examination filing. Since applicants cannot control when relevant prior art will appear, a second or subsequent continued examination filing should **never** be barred if the claims are being narrowed in any way and for any reason.

The proposed requirement that second or subsequent continued examination filings be supported by a showing as to why the amendment, argument or evidence could not have been previously submitted appears to have no rational relation to the Office's stated justifications for the necessity of the changes. Specifically, the stated justifications are addressed as follows:

The first justification given is that the rule change is required to avoid abuses where the applicant intentionally or negligently fails to advance prosecution while filing multiple continued examination filings. The proposed rule change is therefore overly broad. A much narrower restriction, prosecution laches, already exists and has been and should continue to be implemented by Courts to prevent such abuses. But it is wrong to punish applicants who need to narrow claims late in the game.

The proposed requirement that second or subsequent continued examination filings be supported by a showing as to why the amendment, argument or evidence could not have been previously submitted exceeds the Office's statutory authority. In this regard, 35 U.S.C. § 120 clearly and unconditionally permits applicants to claim priority to a previously filed application. In justifying the proposed rule, the USPTO relies on *In Re Bogese*, 303 F.3d 1362, 64 USPQ2d 1448 (Fed. Cir. 2002). However, that case clearly states that the only policy issue the Court was considering was "whether the PTO is authorized to reject a patent application where the applicant fails to advance prosecution of his application for an unreasonably long period". *Id.* at 1366-7. The court decided that issue affirmatively based upon the doctrine of prosecution history laches,

relying on the fact that the Supreme Court recognized this doctrine on several different occasions.

In contrast, no such authority exists for limiting continued examination filings to the extent proposed by the USPTO. To the contrary, the Court in *In re Bogese* appeared to specifically endorse many of the types of continued examination filings that the presently proposed rule is attempting to preclude, stating, "[a]n applicant's attempt to obtain new claims directed to inventions that he or she believes are fully disclosed and supported in an earlier application, however, is easily distinguishable from appellant's failure to further the prosecution of his application toward the issuance of any claims." *Id.* at 1369. *In re Bogese* does not support the proposed rule change.

The second justification given is that the rule change is required to reduce the amount of unnecessary work that Office personnel must perform. However, the Office has not presented an adequate case that the rule change actually would significantly reduce such workload. Although figures are given regarding the number of continued examination filings that presently are being made, there has been no attempt to determine how those numbers would change under the proposed rule. Moreover, what percentage of current continued examination filings are caused by an inadequate search by the USPTO? We suspect that a large percentage of the "rework" done in terms of continued examination filings was triggered by failures at the USPTO. As we have previously indicated, the USPTO needs to look closer to home for the failings it perceives as opposed to trying to reform the behavior of patent applicants.

If the USPTO really wants to do away with continuation practice, then besides needing Congressional approval, the compact prosecution scheme should be junked at the same time.

Inventions are not static. Some inventors can invent new technology and indeed can make it difficult for patent attorneys to file patent applications disclosing the best mode when the best mode might change on a weekly or monthly schedule. For these inventions the CIP application is very important. The CIP application recognizes that inventions are dynamic rather than static. The rules on continuation filings would needlessly impede dynamic inventors and their inventions.

Even if continued examination filings were reduced by these proposed rules, there has been no attempt to quantify how much of the workload would shift to other areas. For example, it can be assumed that many more applicants would file appeals, rather than filing RCEs or making other continued examination filings; this change would require examiners to devote a much larger percentage of their time to preparing and arguing appeal brief answers, which presumably is much more labor intensive than issuing

Office actions. Once again, such work-reapportionment effects have not been analyzed at all.

The third justification given is that a public notice function would be served by the proposed rule change. It is unclear how this possibly could be the case, as the proposed standard for filing continuing applications is so vague.

In short, it appears that the USPTO is attempting to change the statutorily guaranteed right to file continuation applications, subject to a narrowly drawn exception for prosecution history laches, which has been recognized by the Supreme Court, into a privilege for which an applicant must petition, which petition may then be granted in the discretion of the USPTO.

The Office's logic is flawed. If 62,870 applications of 317,000 are "continuing applications" (including 11,800 divisionals), this is only 20% of the applications. Removing involuntary divisionals, which are a direct result of Office policies, reduces the percentage to 16%. It is fallacious to include the 52,750 requests for continuing prosecution because this figure has nothing to do with newly-filed applications, and is only a measure of the extension of prosecution time. Further, the proposal does not eliminate RCEs. So, if all continuing applications (not counting divisionals) were eliminated, this would at most relieve the Office's burden by 16% - not really a huge amount. Further, at least some of the continuing applications will be justified, and more particularly, probably nearly all continuation-in-part applications will be justified. Thus, the proposal would probably only eliminate at most 5-10% of their continuation application burden, while at the same time adding another burden on the examiners and applicants, namely preparing the justification statement, with its possibilities of raising further inequitable conduct issues and exposing practitioners to claims of malpractice.

Adding another procedure just increases the examiners' workload. Instead of examining continuations (which are by then familiar to the examiner), the Office would substitute the job of scrutinizing these justifications. So, often the examiners will still have continuations to deal with, on top of the arguments over the justifications (and appeals over the denied continuations).

We believe that if the proposed rule is finalized the number of appeals will increase dramatically. Applicants may file a continuation so that their claims are in better condition for appeal, as many examiners refuse to enter any amendment made after final rejection. Also, applicants sometimes accept any allowed claims, and file a continuation to pursue claims that were still rejected. These issues are not addressed by the appeal conference procedure.

§1.78(a)(1): it is possible that an application will contain new matter (continuation-in-part application) and claims directed to previously non-elected subject matter (divisional application) at the same time.

§1.78(d)(1)(ii) would limit priority claims to only the single previous application in cases of divisionals. What about cases in which one has filed a continuation-in-part application, and the examiner has subsequently restricted the continuation-in-part application? There are no provisions in the proposed rule addressing this common situation.

§1.78(d)(3) provides that one must identify claims meeting 35 U.S.C. § 112, first paragraph requirements in continuation-in-part applications. This is already part of the statutory scheme. By filing a claim, applicants and their agents already assert that the claims are patentable. This proposed rule therefore serves no real purpose, and simply provides another opportunity for claims of inequitable conduct. Whether or not a claim is supported in the parent application is already an issue normally determined only if necessary in light of the cited prior art.

§1.78(f) would require notifying the Office of any applications having a common inventor and a filing date within two months of another application. The proposed rule is misguided in that it presumes that an applicant is attempting to circumvent limitations on double patenting. What if the two applications claim completely different subject matter? The examiner will spend more time scrutinizing the statements than he/she will require to examine any "overlapping" subject matter. As a practical matter, the applicant already needs to notify the PTO under Rule 56 of any material related applications. If the examiner has already examined one set of claims, he/she knows that the same rejections are probably applicable to the related set as well. The net result will be no savings of time or effort, and a probable increase in burden on the examiner and the applicant.

§1.78(f)(2) would provide for a rebuttable presumption that at least one claim of an applicant's non-provisional application is not distinct from claims of other of the applicant's pending or patented applications where certain defined circumstances exist. This proposed rule thus attempt to shift the burden to applicants of showing that there is no basis for a double patenting rejection in these circumstances. This is impermissible under existing Federal Circuit case law.

A double patenting rejection of the obviousness-type is "analogous to [a failure to meet] the nonobviousness requirement of 35 U.S.C. 103" except that the patent principally underlying the double patenting rejection is not considered prior art. In *re Braithwaite*, 379 F.2d 594, 154 USPQ 29 (CCPA 1967). Therefore, any analysis employed in an obviousness-type double patenting rejection parallels the guidelines for analysis of a 35 U.S.C. 103 obviousness determination. In *re Braat*, 937 F.2d 589, 19 USPQ2d 1289

(Fed. Cir. 1991); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985). However, under long-standing Federal Circuit case law, the USPTO has the burden under section 103 to establish a prima facie case of obviousness. *In re Piasecki*, 745 F.2d 1468, 1471-72, 223 USPQ 785, 787-88 (Fed. Cir. 1984). The proposed rule would impermissibly shift this burden to applicants.

These provisions appear overly burdensome to an applicant with limited resources and pro se applicants.

Also this proposed rule and other current rules put severe limits on applicants in terms of having to take certain actions promptly. Consider the rules regarding the timeliness of prior art statements. We have seen cases where a US patent application is related to a large number of foreign and domestic applications. The prior art cited by other examiners will basically dribble in. But the rules on citing art require that we promptly notify the USPTO about such art even when the USPTO is taking years to getting around to examine many of these applications and by the time the US examiner finally looks at the application the applicant has filed tens of IDSs citing prior art. It would seem that since the USPTO has a pretty good idea of when an application will be examined, then it would make more sense to send a notice to the applicant stating that examination will commence X months from now and therefore if the applicant has a prior art to cite or needs to tell the office about related applications, such information should be lodged at least one month prior to the anticipated date that examination will commence. Why make patent applicants needlessly jump through hoops to submit information to the USPTO far in advance of the date by which it is needed?

If the Office wants to reduce the number of "rework" cases, we recommend that it start by doing away with unnecessary restriction requirements. The examiners currently are urged to divide cases into as many applications as possible (or at least this appears to be the case). We have seen restriction requirements with 100+ separate groups, and restriction requirements where the number of groups exceeds the total number of claims. There is really no reason to require a gene to be claimed in one application, and the corresponding protein in a separate application, and an antibody for the protein in still another application or a semiconductor in one application and its method of manufacture in another application: the prior art will be essentially the same in such cases, and any competent examiner should be able to understand the art relevant to each set of claims. It would be much more efficient to keep the groups together in one application and prosecute them all at once, rather than starting over again and again with each division. And since proteins, nucleic acids, semiconductors and their methods of manufacture etc. are assigned to different groups, we get a fresh examiner for each divisional, which maximizes examiner workload and minimizes efficiency. By eliminating unnecessary restriction requirements, the Office will save only 4-5% of all applications without adding any other burden.

Additionally, if the Office finalizes such a rule, we strongly urge the Office to permit all claims to be filed in an application without the need to pay for excess claims, and to delay the collection of such fee until after all restrictions are made. In this way, applicants will not be financially penalized by paying claim fees twice, once with the original application and a second time, for filing the divisional application containing claims previously submitted and subject to restriction.

In light of the lack of guidance provided in the proposed rule, we suggest identification of minimal criteria for acceptable reasons for filing a continuation or RCE if the rules are implemented. Reasons for filing a continuation might include the following:

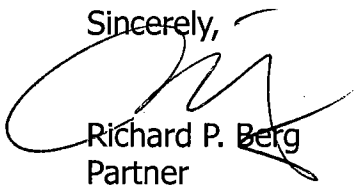
- (1) an indication by the examiner in an advisory action that a new search is necessitated in response to amendments made by an applicant in a final Office action. This indication justifies filing an RCE under current rules. We urge the Office to instruct examiners not to require a new search if an independent claim is amended to include a limitation from a dependent claim already in the case; such limitations should already have been searched.
- (2) the scope of new claims finds specific support in the application as filed.
- (3) the scope of new claims not believed covered by the original claims was unintentionally omitted from the original application.
- (4) the scope of new claims as amended in a continuation is necessitated by particular prior art previously unknown to the applicant.
- (5) the scope of new claims as amended in a continuation is necessitated by particular prior art, and an applicant's amendments are in addition to amended claims previously rejected by the PTO over the prior art.
- (6) other reasoning provided by an applicant indicating why an application could not otherwise be obtained with claims to protect their invention, wherein the claims are broader than in previous applications to which priority is claimed and could not be pursued in a reexamination or reissue application or are not subject to a double patenting rejection.

Conclusion

We believe that the proposed rules are not an appropriate solution to the perceived problems. We have made certain recommendations and we believe that our

recommendations will lead to better solutions than those proposed, solutions which will work well both for patent applicants and the USPTO.

Sincerely,



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