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**From:** Cates, Rhonda [mailto:rcates@ti.com]

**Sent:** Wednesday, May 03, 2006 2:53 PM

**To:** AB93Comments; AB94Comments

**Cc:** Telecky, Frederick

**Subject:**

Mr. Telecky is submitting the attached comments from Texas Instruments to the United States Patent and Trademark Office.

Respectfully,

Rhonda Cates  
Administrative Assistant

(Submitted by electronic mail message on May 3, 2006)

COMMENTS TO THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BY TEXAS INSTRUMENTS INCORPORATED (TI)

RE: Changes to Practice for Continuing Applications, Requests for Continued  
Examination Practice and Applications Containing Patentably Indistinct Claims  
and

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

TO: The Honorable Jon W. Dudas, Under Secretary of Commerce for Intellectual  
Property and Director of the United States Patent and Trademark Office

The Honorable John J. Doll, Commissioner of Patents

ATTN: Robert W. Bahr, [AB93Comments@uspto.gov](mailto:AB93Comments@uspto.gov)  
Robert A. Clarke, [AB94Comments@uspto.gov](mailto:AB94Comments@uspto.gov)

Gentlemen:

TI respectfully urges the USPTO to withdraw the proposed rule changes or defer them indefinitely.

Part I explains why the proposed rules would increase budgetary burden, decrease internal administrative efficiency and weaken the value of patents for applicants and business.

Part II explains that the proposed rule changes would counter-productively increase the workload burden on the USPTO.

Closing remarks summarize these comments.

Appendix I provides a synopsis of the proposed rules as we currently understand them.

Appendix II explains why the proposed rule changes are contrary to the patent statute and case law, and should be withdrawn or deferred.

Regards,



Frederick J. Telecky  
Sr. Vice President and  
General Patent Counsel

FJT:rc

## PART I: THE PROPOSED RULES WOULD INCREASE BUDGETARY BURDEN, DECREASE INTERNAL ADMINISTRATIVE EFFICIENCY AND WEAKEN THE VALUE OF PATENTS FOR APPLICANTS AND BUSINESS.

The commenter Texas Instruments Incorporated provides innovative DSP and analog technologies to meet our customers' real world signal processing requirements. In addition to Semiconductor, the company's businesses include Educational & Productivity Solutions. TI is headquartered in Dallas, Texas, and has manufacturing, design or sales operations in more than 25 countries. Texas Instruments is traded on the New York Stock Exchange under the symbol TXN. More information is located on the World Wide Web at <http://www.ti.com>.

We join you recognizing the significance of World Intellectual Property Day, just past, and appreciate the efforts by the President and the Administration to help raise awareness about intellectual property, about the many contributions of scientists, engineers and artists to our society through their work, and the Administration's recognition of the vital importance of protecting intellectual property. In this spirit, we submit comments on the proposed rules changes pertaining to claims and continuations as published at 71 Fed. Reg. 48 and 61 (Jan. 3, 2006), and a synopsis is given as Appendix I.

We understand that the AIPLA has filed comments April 24, 2006, as shown at the pair of comments links on the homepage of the web site at <http://www.aipla.org/>. We support the general approach of the AIPLA position, and are submitting comments from our viewpoint too.

### Assessing the Public Interest

The Constitution permits, and this country has legislated, patent laws precisely because the value of patents confers a net benefit on the economy to encourage progress in the useful arts through technological innovation in the research and development process. Protecting the contributions of scientists and engineers through intellectual property is vitally important to delivering the benefit which the patent laws contemplate.

So far, the comments as we read them on the USPTO web site, suggest very strong opposition to the proposed rules across a wide spectrum of the intellectual property community. And it is possible that some net-licensees might express support for the proposed rules out of a self-oriented private interest. The USPTO in making its public interest assessment, however, should not disregard the comments of net-licensors like TI as if they were merely cancelled out by the private interests of net-licensees. The constitutional grant of the patent power and the patent laws legislated under that constitutional grant reflect a long-standing general policy consensus that patent protection is vital to promote progress in the useful arts. The patent laws and this underlying policy contemplate precisely that those, like TI, who have paid expensively to do technological innovation and patent it are indeed to be compensated by those who pay to get the benefit of patented technology of others. The comments of those who oppose the proposed rules, as we do, and support a continued level of patent protection under the currently-existing rules should be given *more* weight, because of the very policy underlying the patent laws, than some comments of those who might support a weakening of patent protection by adoption of the proposed rules.

## Patent Value from a Business Viewpoint

Efficiency of the patent system suffers by removing knowledge and intelligent decision making from the process. Basic considerations of economic efficiency are generally based on permitting decision makers to behave with as much knowledge and intelligent decision making as possible.

Each original patent disclosure represents an example of the contributions of one or more scientists and/or engineers, and the patent claims that are written by patent professionals are efforts to protect those contributions. Only a small fraction of patents even now are commercially important which in itself demonstrates that foretelling what claims to file on a given original disclosure is extensively subject to human fallibility and business contingencies. Our experience is that business trends only become manifest years after filing.

The proposed rules turn patent application claim preparation into an exercise more fully encumbered by pure chance relative to the current procedure and remove knowledge-based intelligent decision-making in patent claims practice from the process, when the originally disclosed invention of the inventor(s) in fact affords the basis of such claims which it is their purpose to protect. The proposed rules are a formula for front-loading even more application volume into the patent application process, leading to premature filings that amount to more “dry holes” in the patent system.

The applicant scientist or engineer has conceived, contributed and communicated the invention at least as early as the original filing date of the patent application that discloses the invention. If there were little opportunity for revised and added claims that are discovered to be needed and applicable only later in the filing cycle, there would be little understanding of the realities faced by inventing scientists and engineers and business managers generally, who by the nature of business and product development cannot frequently know in advance how products will evolve that are nonetheless using their inventions as originally described. To ignore these realities is to convert the promise of patent protection, the vital importance of which the Administration recognizes, into a hollow platitude.

Under the proposed rules, a larger proportion of applications will be constructive reductions to practice, and have less information and have less insight driving the claims about what applicant’s invention in the form of a product or products in the industry will look like. The proposed rules effectively discourage more-fully-informed claiming and operate in effect to restrict and deny fruits of inventing by the scientists and engineers by effectively restricting the formalities of expression and choices in bringing claims.

The proposed rules amount to a virtual narrowing and elimination of claims in the context of the court-made scoping back on the doctrine of equivalents to emphasis on near-literal-infringement. These factors will put a premium at the outset of prosecution, and not later, on putting claims to the right subject matter and drafting the claims to answer all concerns at precisely the early point where it is the most difficult to do so. If first-to-file is passed, the problems of front-end visibility will be exacerbated due to the need to move filing back even earlier.

Texas Instruments acquires patents primarily by the inventing activities of its employees. Their patent disclosures are reviewed internally for potential value. Both in-house

counsel and retained counsel prepare patent applications and prosecute the patent applications to issue in the USPTO and patent offices in major world regions. Texas Instruments regards its patents as valuable competitive commercial assets, and enters into cross-licenses at various times. We are mindful of the costs incurred to obtain these commercial assets, and must consider the benefits of patents versus their costs. A description from some years ago of some intellectual property activities in the semiconductors and electronics business is found in Grindley, P. and Teece, D. *Managing Intellectual Capital: Licensing and Cross-Licensing in Semiconductors and Electronics*. 39 California Management Review, No. 2: 8-41 (1997).

We believe our patent experience is consistent with the report that *valuable patents generally have more claims, cite more prior art, and take more time to issue as patents*. Allison, J.; Lemley, M.; Moore, K; and Trunkey, D. *Valuable Patents*. 92 Georgetown Law Journal 435 (March 2004). Some patent applications require more care in preparation of the claims based on scrutiny of the prior art, as we understand our patent experience. Our portfolio includes valuable patent claims that arise not only from singleton patent applications but also from families of patent applications resulting from related work of inventors on TI industrial projects, and valuable patent claims that have arisen from selective and considered continuation and divisional patent practice on various ones of the patent applications. A family of patent applications filed in the USPTO at the same time frequently has at least one inventor named on two or more of the applications in the family.

Because of the impact on valuable inventor and patent attorney time as well as the added Official fees involved in patent applications and prosecutions involving many claims and multiple patent applications, we must justify the potential benefits of the patents to be obtained in view of the extra costs. We pay for the USPTO procedures and the TI patent acquisition process, and make decisions subject to a commercial, economic, business-oriented rationale to protect the contributions made by scientists and engineers.

The US patent system is a leader in the world in providing a framework in which valuable patents can deliver on their potential. Valuable patents deliver incentives to the inventor community at this company and elsewhere, encourage research and development, and are financially meaningful to commerce and business where we stand.

#### Budget and Administrative Burden of Proposed Rules

The concerns we raise in these comments on the proposed USPTO rules are still further magnified in the context of an industrial patent operation wherein the patent application filings and the entire patent program are budget-constrained. Any one patent application, viewed in the abstract, is burdened by the proposed rules to a considerable extent. We will be required to file designations of representative claims in cases having numbers of claims in excess of ten (10). We will be required to file extensive papers justifying multiple related patent applications, which are a hallmark of industrial inventing. We will be required to proactively address matters pertaining to patentability without knowing whether they are in fact considered important by a Patent Examiner. We apparently will be required to prepare showing(s) and Examination Support Document(s) in cases where more than 10 representative claims and/or multiple patent application filings are appropriate because the inventions have arisen in complex inter-related and industrially-significant technological research and development. Still other burdensome provisions are noted in the Synopsis (Appendix I) at the end of these comments. We do

not understand why the proposed rules make sense for either the USPTO or for this company and others similarly situated.

In the context of a budget-constrained process and head-count limited process, something will either have to give way or expenses will have to rise substantially. The direction of the proposed rules in this real world has the collective effect of reducing the diversity of claims that will see the light of day upon issuance of patent protection of a given original filing. In addition, the proposed rules bode ill by introducing far more situations and claim practice pitfalls that amount to time-bombs when we look for valid claim reads on infringing activity and attempt to enforce the patents to actually protect the inventive contributions. In sum, the proposed rules, retroactive on top of everything else, amount to a substantive weakening of the value of patents that may issue not only from patent applications subsequently filed but also from prosecution of even already-filed pending patent applications.

We regard with considerable concern both the predictable and unpredictable effects of the proposed patent rules as diminishing the value of patents, and diminishing the likelihood of being able to obtain valuable patents, not to mention the unsettling effect and lack of practice predictability of so many simultaneous rules changes. We also regard with considerable concern what we see as a very substantially increased budgetary impact and administrative inefficiency of the proposed patent rules on the business operation if we attempt to maintain the effective value of patent acquisition at current levels, the practicability of which is now jeopardized.

#### Importance of Voluntary Continuation and Voluntary Divisional Practice

The US Patent and Trademark Office (USPTO) cites a paper as support for not permitting voluntary divisional patent application practice in the USPTO. Lemley, M. and Moore, K. *Ending Abuse of Patent Continuations*, 84 B.U. L. Rev. 63, 64 (Feb. 2004). The importance of voluntary divisional patent application practice to applicants and business generally is another matter. Even as regards continuations, the Lemley and Moore paper is succeeded by the March, 2004, Allison, Lemley, Moore and Trunkey paper *Valuable Patents*, 92 Georgetown Law Journal 435, already noted.

The short answer in support of voluntary divisional applications is that the patents that issue from those applications are some of the most valuable patents TI obtains.

Patents based on TI research and development (R&D) protect TI's right to do business. The royalties received on the patents provide a return on and encouragement to TI's very substantial research and development expenditures to make further innovations which benefit the public. The publication of the specification prevents others from obtaining patents on the products that result from our research and development and the patent claims specify the matter that is new and attributed to our efforts.

Patents based on our research and development provide property rights that can be used to gain access to technologies developed by other companies that TI needs to compete in the marketplace. Not surprisingly, a company with leading edge technology that TI needs to compete quite likely may not want to license that technology to TI. A strong patent position that TI can use to gain access to that leading edge technology can mean the difference between competing or not. And competition contributes to the economy and benefits the public.

Many of the technical disclosures that TI receives from its inventors and that it files as patent applications are rich in patentable subject matter. Each of these patentable aspects may be valuable in licensing and/or may have value in protecting TI's right to do business. The problem is that when a patent application is filed, no one can know for sure whether an aspect will have great value. If we could, TI business people would direct the filing of patent applications on only the valuable aspects. The value of those aspects may not be recognized until later, sometimes five to ten years after the patent application is filed. Once recognized, however, the patents that issue from voluntary divisional applications can protect the original contributions of the scientists and engineers.

The proposed changes to the prosecution practice rules of the US PTO reduce the efficiency of the present patent system by eliminating intelligence, knowledge, and experience from patent prosecution. The proposed changes effectively limit continuation practice and numbers of claims, requests for continued examination (RCE) practice, and applications containing overlapping disclosures (ignoring the claim content) and having at least one inventor in common.

A patent application is written and drawings are drafted to describe the technology developed by an inventor with the hope that a patent may issue that protects his or her work (masculine includes the feminine elsewhere herein). The inventor has worked with drawings as well as with words provide the required disclosures and to delineate the claimed inventions.

When the patent application is filed, however, the inventor cannot know all the ways in which others will eventually use the technical disclosure, or parts of the technical disclosure, of that application. Years may pass, perhaps about ten years after filing of the original application, for the disclosed technology to be implemented in products by other parties with or without permission. Further, the practical form for implementing the technical disclosure will shift over time.

When the patent application is filed, the inventor cannot know the entire prior art that is material to his technical disclosure. Another inventor may be developing technology that is closely related to the first inventor's work. Some unknown art may limit the patentability of different aspects of the technical disclosure. While the prior art may limit the patent claims that issue in a patent, the claims should be supported by the technical disclosure. The technical disclosure of the inventor's patent application provides the evidence of his possession of the technical achievements.

Thus when a patent application is filed, the inventor has incomplete knowledge of the utility of his technical contributions, of the prior art that may limit his ability to claim his work, and of the work of others that may be used to claim priority over his work. Thus when a patent application is filed, an inventor cannot fully know the way or ways to express his invention or inventions in the claims to exclude all others from using his technical disclosures.

Even after a patent issues, the inventor cannot fully know the prior art that may later be selected in an attempt by an adverse party to invalidate his patent claims. The inventor further cannot know the ways that a court will interpret his patent claims for validity and

infringement. Without direct infringement, the inventor will have to argue for infringement under the Doctrine of Equivalents, which is a difficult task.

Continuation and voluntary divisional applications provide means for compensating for the state of incomplete knowledge earlier in prosecution.

Foretelling each valuable feature or aspect of a technical disclosure is as difficult as it is important. An anecdotal example from the past suggests our experience. TI developed a particular product and prepared several patent applications on the aspects that were thought important. Internal business-level input warned that that one aspect would probably never be important. During continuing prosecution, the lead engineer recognized that this aspect was actually exceedingly important to the product. Because it was disclosed in one of the pending patent applications, and through voluntary divisional practice, TI was able to obtain patent protection that protected this intellectual property that resulted from the engineering work.

An inventor needs intelligence, knowledge, and experience to obtain valid and infringed patent claims that can exclude others from using his technical disclosures in ways that minimize costs and maximize returns. Unfortunately, the inventor almost never will have sufficient knowledge of the prior art and sufficient knowledge of validly-obtainable patent claims to encompass all the actual implementations of the inventor's already-disclosed technical patent disclosure, and of the ways that a court will interpret the patent claims to hold them valid and infringed (or not). Not permitting voluntary divisional patent applications, for instance, prevents an inventor from using his intelligence, knowledge, and experience to obtain such patent protection.

Under the proposed rules, the inventor would file one original application with claims to all of the possible ways he can think of in which the technical disclosure can be used. Each set of claims to a different aspect or feature could be restricted for involuntary divisional prosecution. With incomplete knowledge, some, many, or most of these involuntary divisional applications will contain claims to implementations of the technical disclosure that no one subsequently uses or that are not patentable in light of later-discovered prior art. Those worse-than-worthless applications have cost the inventor the resources that could have been used productively. They will also have cost the Office resources that could have been used more efficiently.

Under the proposed rules, circumstances are even more likely to arise where patent claims with unnecessary limitations would be not infringed, even though the accused infringer implemented the disclosed technology. In such circumstances, the inventor would either have to resort to broadening reissue (if the two-years for that have not expired) or will be left with no effective recourse to obtain patent claims of proper scope for validity and infringement. The inventor will stand by helpless--unable to file voluntary divisional applications with claims protecting the originally disclosed invention. Others will with impunity use his technical disclosure for their benefit, without compensation.

Currently, instead of the inventor filing a colossally- and unnecessarily-numerous set of patent applications and claims, one for each of all the possible ways in which the technical disclosure can be used and claimed, patents are progressively obtained in an economically efficient, intelligent manner under voluntary divisional practice. By filing only the applications that are needed to supply more-probably valuable claims to protect



the originally-filed technical disclosure, applicant resources and the resources of the Office are conserved. The once-possible effect of extending patent terms by extended continuation practice is no longer present, since the patent term does not extend beyond the twenty years from filing of the original application.

## PART II:

### THE PROPOSED RULE CHANGES WOULD COUNTER-PRODUCTIVELY INCREASE THE WORKLOAD BURDEN ON THE USPTO.

#### Unnecessary Premature Claiming

Applicants will file more types of claims on a complex disclosure prematurely. The proposed rules do not allow them to determine which types of claims would be unnecessary and uneconomic based on industry experience and development of market-successful technologies and standardized technologies. This *multiplies* the Examiner workload by forcing applicants to generate multiple types and subject matters of claims up-front in the process. Then each of these turns into a divisional and then into even more continuations that may later turn out to be unnecessary.

The “problem” which the Office proposes to solve is not the thirty percent of Office resources first computed at 71 Fed. Reg. 48, 50, col. 1, first full paragraph. Instead, the Office rules are focusing on the second or subsequent continuation/CIP and RCEs. These documents amount to just under six percent (6%) of the Office workload on a numerical ratio basis  $(11,800 + 10,000)/(317,000+52,000)$  based on the figures supplied at page 50, col. 2, first full paragraph, of the same Official Notice. As discussed at length in Part I of these comments, this group of documents includes some of the most economically important pending applications flowing through the Office. Handling the much tinier fraction of egregious situations can be far more efficiently handled according to *In re Bogese*, 303 F.3d 1362, 64 USPQ2d 1448 (Fed.Cir. 2002) (*Bogese II*).

Instead, the proposed rules would apply a bureaucratic blunt instrument that would hurt inventors, hurt business and commerce, hurt the patent system and hurt the USPTO itself.

#### Increased Red Tape for USPTO and Applicants

To operate under the proposed rules, the Office will have to increase red tape by sending applicants more notices. Even an application with as few as eleven claims requires a designation by applicant of ten representative claims! This applies to most applications being filed. The proposed cure is far worse than the circumstances to which the proposed rules are ostensibly addressed.

Applicants, in the absence of and prior to any Office Action rejecting claims based on reasons, will be forced to prepare more papers with a plethora of information of doubtful relevance for processing by the Office. The Examining Corps will then not only need to examine the patent application but also review the additional papers in preparing Office Actions. Since the initial examination will be limited to ten representative claims, a second phase in prosecution will then consider the rest of the claims, and require a time-inefficient, divided consideration of the application file by the Examiner.

A plethora of petitions, explanations and showings would be introduced into the PTO process pertaining to justifiable patent applications, thus unnecessarily burdening

prosecution in many cases. Targeted rejections and procedures consistent with *Bogese II* directed to a minority of cases to protect the Office is far more efficient of scarce Office resources.

### Reduced Examiner Efficiency

Since the proposed rules contemplate that the Examiner will not search all the claims in the case at once, the Official search process will be divided and made less time-efficient. The PTO will initially examine only all the independent claims and only expressly designated dependent claims. An applicant filing more than 10 total claims in a case must designate no more than 10 representative claims. Accordingly, the initial search is hobbled because the claims beyond the designated 10 do not inform the search process either on the designated 10 nor the rest. This reduces the quality of the search.

Then, to compound the inefficiency, the remaining claims must then be examined, which means doing two searches in each application, and piecewise examining the application in an artificially segmented manner that neither accords with the reality of actually examining the patent application at hand nor comprehends the human factors of moving through the examination at peak efficiency. If the examiner will peek at all the claims to do the search, then there is no point in applicant wasting time designating representative claims, and the Office implementing a rule that fictitiously contemplates examination of fewer than all the claims. And if the examiner does slavishly follow an artificially segmented examination process, then inefficiency results as noted above.

## USPTO Resources Conserved

Our experience is that filing the voluntary divisional applications conserves the resources of the Patent and Trademark Office. The examiners who are examining these voluntary divisional applications are often aware of the parent patent applications and do not have to re-read the specifications to understand the claimed inventions or locate support for the claims. They already have performed searches on the general subject matter of these voluntary divisional applications and can confirm their earlier searches before allowing the applications to issue as patents. The claims do not require numerous actions from the Office. Broadening reissue may be unavailable by the time the need to broaden a claim becomes apparent. Ordinarily, there is no need for appeal. The complexities of reissue practice for both Office and applicant are engaged when truly necessary.

### Mis-allocation and Inefficient Use of Office Resources

The claims that are initially filed will be broader claims based on less knowledge which will put more pressure on the examination system, with the undesirable but unsurprising result that the proportion of invalid claims and invalid patents will increase, and erode public confidence in the Office.

The complexion of commenters supporting the proposed rules changes demonstrates that the effect of the proposed rules is to weaken patent protection obtainable by inventors.

Under the proposed rules, Applicants and the Office will be inefficiently moving into an era of increased petition and appeal practice wherein supervisory level functions will be even more overloaded and ill-adapted to handle the backlog than the larger base-level examination function is now.

Broadening reissue and other reissue practice will become much more widely used, further adding to the overload. Applicants will find themselves filing prematurely and prosecuting numerous patents that later in hindsight turn out to be less than desirable through inadvertent error and need to be reissued, and then having to go through the more complex broadening reissue (if available to them at all) and other reissue practice to obtain the patents that they should have. All of this inefficiently moves volume from currently-simpler Office procedures to more complex ones. This mis-allocated volume burdens the Office and applicants alike. Voluntary divisional practice is administratively and judicially economical in that it directly adjusts claim language in the PTO instead of asking a court to impose the Doctrine of Equivalents. See Adelman, M., "*Is the Use of the Doctrine of Equivalents to Fix Mistakes a Mistake?*", 27 N. Ky. L. Rev. 1021, 1023-4 (2000); Adelman, M., Rader, R., Thomas, J., and Wegner, H., *Cases and Materials on Patent Law*, St. Paul, MN: West Group, p.771 (1998).

The public receives adequate notice of applications due to 18 month publication and patent term of 20 years that has been statutorily revised from filing rather than from issue. The applicant has little or no incentive to extend prosecution without important reason to do so.

### CLOSING REMARKS

The Constitution and patent laws of this country encourage strong patents to confer a net benefit on the economy by encouraging progress through technological innovation in the research and development process. Consistent with this encouragement, Texas Instruments regards its patents as valuable competitive commercial assets, and enters into cross-licenses at various times on some patents in the company portfolio. We are mindful of the costs incurred to obtain these commercial assets, and must consider the benefits of patents versus their costs.

The Office, the applicants, and public face the prospect, under the proposed rules, of more prematurely filed applications, more Office red tape and expenses, decreased Examiner efficiency, and mis-allocation and inefficient use of Office resources.

Valuable patents generally have more claims, cite more prior art, and take more time to issue as patents. Valuable patents generally require even more care in preparation of the claims based on scrutiny of the prior art. Our portfolio includes valuable patent claims that arise from families of patent applications resulting from related work of inventors on an industrial project, and includes valuable patent claims that have arisen from selective, considered continuation and divisional patent practice including voluntary practice.

Filing extensive papers justifying multiple related patent applications and extensively and proactively briefing matters pertaining to patentability without knowing whether they are in fact considered important by a Patent Examiner does not make sense for either the USPTO or for this company and others similarly situated.

The proposed rules, retroactive on top of everything else, amount to a substantive weakening of the value of patents that may issue from even already-filed pending patent applications as well as patent applications subsequently filed.

It seems premature in our view to introduce numerous different patent rules changes of patent-weakening combined effect but unknown and unpredictable practice effects when first-to-file legislation is pending. Indeed, there appear to be grave questions about even the legality under current law of the Office adopting major and substantive policy changes under these proposed rules, as described in Appendix II of these comments. Determining the effect of any legislative changes, and only then gauging the prudence of rules changes like these, if not inconsistent with the state of the law at that time, is a better course for the Office than hasty adoption of the proposed rules.

As best as we can foresee at this time, the proposed rules if adopted now, would undesirably combine with first-to-file to very largely front-load the patent application preparation and claiming process as to further weaken the patent system and diminish the value of US patents in promoting innovation. We also find it puzzling that the Office is proposing to burden the continuation process and embark on public policy making in the patent system which is the province of the legislative process, when consideration of patent reform in Congress is pending currently, and indeed appears to be moving away from the prospect of disturbing the current and quite-justified continuation practice.

If, as some comments have suggested, the proposed rules will be circumvented by tactical patent practice, we would think that adopting complex rules with unknown exceptions, loopholes, and unknown effects is problematic and simply a drain on the system.

We regard with considerable concern the proposed patent rules effect of diminishing the value of patents, the unsettling effect and lack of predictability in introducing so many simultaneous rules changes, as well as diminishing the likelihood of being able to obtain valuable patents. We also regard with considerable concern what we see as a substantially increased budgetary impact and administrative inefficiency of the proposed patent rules on our in-house patent operation.

The proposed rules have reached comment stage. Evidently some momentum, which could dangerously acquire a life of its own, has arisen inside the Office for adoption even if some second thoughts are emerging about the merits. We invite the public officials of the United States Patent and Trademark Office to truly do some soul-searching anew about these proposed rules.

For all the above reasons, we vigorously urge the US Patent and Trademark Office to withdraw the proposed rules or defer them indefinitely.

Respectfully submitted,

Frederick J. Telecky  
Senior Vice-President and  
General Patent Counsel  
Texas Instruments Incorporated

#### APPENDIX I: SYNOPSIS OF USPTO PROPOSED RULES

In the proposed rules, as we currently understand them:

1. Second or subsequent continuations, continuation-in-parts, or requests for continued examination must include a showing to the satisfaction of the Director why the amendment, argument, or evidence could not have been previously submitted.
2. Multiple commonly-owned applications filed on the same day, with overlapping disclosure, and at least one common inventor, are presumed to contain patentably indistinct claims. A showing must be made to the satisfaction of the Director why the claims are patentably distinct, or a terminal disclaimer must be filed with a showing to the satisfaction of the Director why there are multiple applications with patentably indistinct claims.
3. Voluntary divisionals are deterred by presuming claims patentably indistinct and combining claim counts to require filing an examination support document (ESD). The notice at 71 Federal Register, No. 1, page 53, col. 3, lines 15-17, expressly says voluntary divisionals are not permitted.
4. The PTO will initially examine only all the independent claims and only expressly designated dependent claims. An applicant filing more than 10 total claims in a case must designate no more than 10 representative claims to avoid filing an ESD, or cancel a requisite number of claims, or get a restriction and elect without traverse.

5. For applications with more than 10 designated claims, the applicant must share the examination of the application by filing an examination support document (ESD) covering all the representative claims if the number of representative claims is greater than ten. The ESD involves a defined search, compares limitations and explains patentability over each reference, states the utility, and shows where each claim is supported in the written description.

## APPENDIX II: THE PROPOSED RULE CHANGES ARE CONTRARY TO THE PATENT STATUTE AND CASE LAW, AND SHOULD BE WITHDRAWN OR DEFERRED.

The proposed rules are inconsistent with the law of the patent statutes and cases, see for instance 35 U.S.C. §§ 2(b)(2), 102, 112, 120, 131 and 132. The proposed rules introduce de facto limitations on number of claims and continuing applications, and effectively reverse Court-mandated burdens of proof on issues of patentability of claims and patentable distinctness of claims.

### Number of Claims

The statute focuses on the central role of the *applicant* to choose the subject matter of the claims and contemplates that the claims be directed to "...the subject matter which the applicant regards as his invention." 35 U.S.C. § 112, 2<sup>nd</sup> paragraph.

The examiner cannot ignore the initial burden of production simply because of the number of claims. *Hyatt v. Dudas*, 393 F.Supp.2d 1, 13-14 (USDDC, 2005):

The PTO understandably [\*\*32] regards Mr. Hyatt and his numerous and complex patent applications as a significant burden and drain on its resources. *See* Def's. Reply at 3-4 (detailing the unusual number and complexity of Hyatt's patent applications pending before the PTO). Nevertheless, plaintiff is entitled under the law to a fair hearing and determination of his rights to a patent under the laws of the United States. *See Beaver*, 893 F.2d at 330 (noting that "the public responsibility of the Patent and Trademark Office requires attentive performance of all aspects [\*14] of the patent examination function"). However, plaintiff is cautioned that the PTO's obligation to establish a *prima facie* case is not necessarily a high bar. *See Alton*, 76 F.3d at 1175 (noting that "the burden placed on the examiner varies, depending upon what the applicant claims").

The proposed rules amount to a de facto limitation on the number of claims that is contrary to case law and sound policy. In fact, a graph of projected application pendency times offered by the USPTO itself at the Town Hall meeting in Chicago reveals that limits on claims and continuations are precisely what is intended.

The graph identifies a proposal by the legend "Plus Claims & Continuation Limits" on each of Slides 52, 53 and 54. See USPTO web site at <http://www.uspto.gov/web/offices/pac/dapp/opla/presentation/chicagoslides.ppt> .

### Required Search and ESD by Applicant Triggered by Number of Claims

Requiring applicant to perform a patentability search on an application simply because it has greater than a certain number of claims is contrary to case law. The applicant is not required to perform a patentability search, *Hebert v. Lisle*, 99 F.3d 1109, 40 USPQ 2d

1611 (Fed. Cir. 1996); *In re Wilder*, 736 F.2d 1516, 222 USPQ 369 (Fed. Cir. 1984) and it is the examiner who bears the burden of initial production as noted herein.

The requirement for an Examination Support Document (ESD) amounts to a pre-examination brief on patentability, including novelty, unobviousness, enablement/best mode, and utility that would be required before the examiner has satisfied the examiner's burden of production. The Chicago Slides 53-54 refer to a "Patentability Report," and the nature of the ESD is also quite apparent from its description in the Official Notice. Introducing a rebuttable presumption of unpatentability against applications merely because they have greater than a certain number of claims utterly flies in the face of reason. The statutory mandate under 35 U.S.C. §§ 131 and 132 directs the Office to apply a reasoned rejection to each claim which is rejected, accompanied with such information and references as may be useful in judging of the propriety of continuing the prosecution of the application.

Triggering the requirement for an ESD based on a number of representative claims amounts to a reversal of the Examiner's burden to come forward first with the *prima facie* case. The number of claims is not reasonably related to facts which are necessary to state a *prima facie* case.

Under the proposed rules, triggering the ESD would vitiate the examiner's initial burden of production, which is long recognized, *In re Oetiker*, 977 F.2d 1443, 1449, 24 USPQ2d 1443, 1461 (Fed. Cir. 1992). There, Plager, J., cogently states in concurrence:

The examiner cannot sit mum, leaving the applicant to shoot arrows into the dark hoping to somehow hit a secret objection harbored by the examiner. The 'prima facie case' notion, the exact origin of which appears obscure ( see *In re Piasecki* , 745 F.2d 1468, 1472, 233 USPQ 785, 788 (Fed. Cir. 1984)), seemingly was intended to leave no doubt among examiners that they must state clearly and specifically any objections (the prima facie case) to patentability, and give the applicant fair opportunity to meet those objections with evidence and argument. To that extent the concept serves to level the playing field and reduces the likelihood of administrative arbitrariness.

...

Specifically, when obviousness is at issue, the examiner has the burden of persuasion and therefore the initial burden of production. Satisfying the burden of production, and thus initially the burden of persuasion, constitutes the so-called *prima facie* showing. Once that burden is met, the applicant has the burden of production to demonstrate that the examiner's preliminary determination is not correct. The examiner, and, if later involved, the Board, retain the ultimate burden of persuasion on the issue.

*In re Piasecki*, 745 F.2d 1468, 1472, 233 USPQ 785, 788 (Fed. Cir. 1984) recognized that

*Graham v. John Deere Co.*, 383 U.S. 1, 148 U.S.P.Q. (BNA) 459, 15 L. Ed. 2d 545, 86 S. Ct. 684 (1966), focused on the procedural and evidentiary processes in reaching a conclusion under section 103. As adapted to *ex parte* procedure, *Graham* is interpreted as continuing to place the "burden of proof on the Patent Office which requires it to produce the factual basis for its rejection of an application under sections 102 and 103".

In a consistent application of this doctrine, the Office was reversed for failure to produce the *prima facie* case, *In re Grabiak*, 769 F.2d 729, 733, 226 USPQ 870, 873 (Fed. Cir. 1985).

The courts have enunciated the case law with full awareness of the very substantial USPTO workload, which was explicitly recognized in *Graham v. John Deere*.

The burden on the Examiner to come forward with the *prima facie* case also applies to anticipation under 35 U.S.C. §§ 102, *In re King*, 801 F.2d 1324, 1327; 231 USPQ 136, 138 (Fed. Cir. 1986).

### Rebuttable Presumption of Double Patenting

Introducing a rebuttable presumption of double patenting in applications simply because they are alleged to have overlapping disclosure and a common inventor, as contemplated by the proposed rules, is no substitute for a reasoned double patenting rejection based on analysis of the wording of claims. The examiner's burden of production to come forward with the *prima facie* case applies to double patenting, *In re Longi*, 759 F.2d 887, 895-6, 225 USPQ 645, 651 (Fed Cir 1985). The effect of this presumption of double patenting is to group claims together so that they exceed the proposed threshold (10) of claims and trigger the draconian search and ESD requirements.

### Proposed Rules for Second Continuations are Contrary to Statute and Case Law

A de facto limitation on continuing applications is contemplated by the proposed rules. As noted above, a graph of projected application pendency times offered by the USPTO itself at the Town Hall meeting in Chicago (Slides 52-54) reveals that limits on continuations and claims are precisely what is intended. The graph identifies a proposal by the legend "Plus Claims & Continuation Limits."

Filing a continuing application such as a continuation or divisional is recognized by statute and entitled to the filing date of the first parent case under 35 U.S.C. § 120. The statute 35 U.S.C. § 131 is mandatory and without regard to the type of application as a first or continuing application. The statutory language of 35 U.S.C. § 131 specifically mandates that

The Director shall cause an examination to be made of the application and the alleged new invention; and if on such examination it appears that the applicant is entitled to a patent under the law, the Director shall issue a patent therefor.

The introductory clause of 35 U.S.C. § 102 is correspondingly specific in putting the burden on the examiner: "A person shall be entitled to a patent unless—"

The application, regardless of whether it is a first or continuing application, is entitled to the examination mandated in 35 U.S.C. § 131 and explicitly described in 35 U.S.C. § 132. The examiner has the initial burden of production regardless of whether the application is a first or continuing application, *Hyatt v. Dudas*; *In re Oetiker, supra*.

The proposed requirement that applicant show why an amendment, argument, or evidence "could not have been" submitted earlier has no statutory basis and would introduce wholesale uncertainty into prosecution. The "could not have been" test is impermissibly vague and unworkable. There is no way to tell whether this test is a subjective test or an objective test, and in either case what showing would be sufficient.



The rule offers no assurance how the “could not have been” test could be uniformly applied across the Office.

It is for Congress and not the PTO to change the law of continuation applications as now governed by the patent statutes at 35 U.S.C. §§ 120 and 131-132, *In re Hogan*, 559 F.2d 595, 603, 194 USPQ 527, 536 (CCPA 1977):

It would also exalt form over substance. If the present appellants had not filed continuing applications, the only filing date involved would be that of the 1953 application. To judge the 1971 application in isolation would have a chilling effect upon the right of applicants to file continuations. The 24 years of pendency herein may be decried, but a limit upon continuing applications is a matter of policy for the Congress, not for us. See *In re Henriksen*, 55 CCPA 1384, 1395, 399 F.2d 253, 262, 158 USPQ 224, 231 (1968).

The powers of the Office to protect its process from a wholesale failure to advance prosecution are already approved in *In re Bogese*, 303 F.3d 1362, 64 USPQ2d 1448 (Fed. Cir. 2002) (*Bogese II*), and the doctrine of prosecution laches is recognized in *Symbol Technologies v. Lemelson Medical*, 277 F.3d 1361, 61USPQ2d 1515 (Fed. Cir. 2002). The proposed rules would burden, impede, and prevent applicant rights to present broader claims that had not been advanced earlier according to the long-standing practice approved in a whole line of cases not only including *PIN/NIP v. Platt Chemical*, 304 F.3d 1235, 1247, 64 USPQ2d 1344, 1352 (Fed. Cir. 2002); but also in a case approving the practice of this commenter TI itself in *TI v. ITC*, 871 F.2d 1054, 1065; 10 USPQ2d 1257 (Fed. Cir. 1989). As noted in *TI v. ITC*, the Federal Circuit in *Kingsdown Med. Consultants v. Hollister*, 863 F.2d 867, 874; 9 USPQ2d 1384, 1390 (Fed. Cir. 1988) has explicitly stated:

It should be made clear at the outset of the present discussion that there is nothing improper, illegal or inequitable in filing a patent application for the purpose of obtaining a right to exclude a known competitor's product from the market; nor is it in any manner improper to amend or insert claims intended to cover a competitor's product the applicant's attorney has learned about during the prosecution of a patent application.

As the Supreme Court in the *Graver Tank* (339 US 606) said:

But courts have also recognized that to permit imitation of a patented invention which does not copy every literal detail would be to convert the protection of the patent grant into a hollow and useless thing. Such a limitation would leave room for -- indeed encourage -- the unscrupulous copyist to make unimportant and insubstantial changes and substitutions in the patent which, though adding nothing, would be enough to take the copied matter outside the claim, and hence outside the reach of law.

Being able to get patents that encompass the variations of an aspect of a patentable invention or inventions to effectively realize licensing value based on the protection of the patent grant to TI on a TI invention that others imitate is a prime use of voluntary divisional practice.

The proposed rules effectively limit applicability of the Doctrine of Equivalent and administratively introduce a late-claiming doctrine invalidated years ago in *Westphal v. Fawzi*, 666 F.2d 575, 212 USPQ 321 (CCPA 1981). The proposed rules force the applicant to present the broadest claims early before narrower claims have been considered and allowed, art has been searched by the Office and before applicant is able to intelligently consider the value of offering broader claims. The proposed rules amount

to a “squeeze play” that puts the applicant between opposite jaws of a vise—effective-limitation of number of claims and continuations on one hand, and Doctrine of Equivalents protection on the other hand.

The proposed rules, if adopted, can be challenged as arbitrary, capricious, an abuse of discretion, or not in accordance with law, and set aside under the Administrative Procedure Act, 5 U.S.C. 706; *Dickinson v. Zurko*, 527 U.S. 150; 119 S. Ct. 1816; 144 L. Ed. 2d 143 (1999).

Introducing a rebuttable presumption of unpatentability against applications simply because they have greater than a certain number of claims and imposing special rules on second continuations are arbitrary, capricious, an abuse of discretion and otherwise not in accordance with law under 5 USC 706(2)(A). The proposed rules are *ultra vires* in that they are inconsistent with law as shown above and thus beyond the power of the Office permitted under 35 USC 2(b)(2) and 5 USC 706(2)(C).

The proposed rules unfairly and arbitrarily discriminate against a certain category of applications which produce more valuable patents and introducing rebuttable presumptions against some applicants and not other applicants based merely on number of claims and/or overlapping disclosure. Valuable patents have more claims, cite more prior art, and take more time to issue as patents as noted in the Allison et al. study and observed in our own patent experience at TI. The proposed rules discriminate against applicants who are paying claim-for-claim their proportionate Official fees for the examination of the applications. Co-filed applications resulting from related work on an industrial project would multiply-burdened by the proposed procedure of presuming patentably-indistinct claims, combining claims from different cases, and patentability brief.

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