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To: AB93Comments
Subject: Comment on Proposed Patent Rules

Attached please find a letter with comments presented on behalf of Townsend and Townsend and Crew LLP regarding Proposed Rulemaking entitled “Changes to Practice for Continuing Applications, Requests for Continued Examination Practice (“RCE”) and Applications Containing Patentably Indistinct Claims,” 71 Fed. Reg. 48.

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May 3, 2006

Jon W. Dudas, Director of the United States Patent and Trademark Office
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Re: Comments on Proposed Rules: "Changes to Practice for Continuing Applications, Requests for Continued Examination Practice ("RCE") and Applications Containing Patentably Indistinct Claims" 71 Fed. Reg. 48 (January 3, 2006)

Dear Director Dudas:

Attorneys in the Chemistry and Biotechnology Practice Group at the law firm of Townsend and Townsend and Crew LLP appreciate the opportunity to offer comments regarding the changes in the patent rules proposed by the Patent and Trademark Office. This comment is specifically directed to the proposed treatment of requests for continued examination ("RCE") submissions, which will be strictly limited under the proposed rules.

The PTO has stated that a key goal of these proposed rule changes is to "allow the Office to focus its patent examining resources on new applications instead of multiple continued examination filings that contain amendments or evidence that could have been submitted earlier." The PTO is unlikely to achieve that goal with the new rules it proposes. Instead, the proposed rules will adversely affect the ability of inventors in many technological fields to protect their inventions. In particular, they present unnecessary obstacles for clients in the biotechnology and chemistry fields.

I. The proposed rules greatly restrict RCE practice.

The proposed rules limit applicants to a single RCE per application and prohibit the filing of an RCE in a continuation application.[1] The PTO has ostensibly provided applicants with a mechanism for overriding the single RCE limit in the form of a petition. According to the proposed rule, a petition which persuasively shows "that the amendment, argument, or evidence [to be submitted with the RCE] could not have been

[1] Proposed paragraph 1.114(f) states: "An applicant may not file more than a single request for continued examination under this section in any application, and may not file any request for continued examination under this section in any continuing application . . . unless the request for continued examination also includes a petition accompanied by the fee set forth in 1.17(f) and a showing to the satisfaction of the Director that the amendment, argument, or evidence could not have been submitted prior to the close of prosecution in the application."

submitted prior to the close of prosecution in the application" will allow the applicant to file a second RCE (or a first RCE in a continuation application).

II. The proposed restrictions on RCE and continuation application filing will increase the time spent by the PTO evaluating petitions and appeals, and will unfairly burden biotechnology applicants.

Rather than decreasing the PTO's work backlog, the proposed rule changes will merely shift the burden to other PTO centers. Applicants who might otherwise file an RCE, if they weren't precluded from doing so, and applicants who wish to maintain their right to file a continuation application in the future will be forced to pursue more time-consuming and expensive options.

Under the current RCE practice, an applicant can pay a fee after examination is closed (*e.g.*, after a final Office Action or after a Notice of Allowance) and file an additional submission (*e.g.*, an information disclosure statement, amendments to the specification or claims, new arguments, or new evidence in support of patentability) in order to advance an application to allowance or abandonment.

The RCE is thus distinct from the filing of an appeal, continuation application, or request for reexamination and, for certain purposes, has significant advantages over these mechanisms. Most importantly, the RCE provides a relatively inexpensive and rapid means for resolving issues that are not appropriate for appeal. A typical RCE submission is turned around more quickly than an appeal proceeding because the Examiner who handled the prosecution prior to the close of examination is also the Examiner who responds to the submission accompanying the RCE.

If the proposed rules are enacted, applicants will be reluctant to use what is *potentially* their only available RCE (and their chance to file a continuation application) except as a last resort. Instead, applicants will file greater numbers of appeals. In addition to the higher cost to applicants, the appeals process is more time-consuming and results in the application being taken away from the Examiner most familiar with the issues which applicants are seeking to have addressed.

The proposed RCE petition process appears designed to soften the impact of the radical limits on RCEs (and continuation applications) set by the proposed rules. However, there are at least two obvious problems with the proposed petition process. First, the PTO must be staffed with enough personnel to handle the onslaught of petitions, as well as appeals of any petitions not granted. Second, it is simply unfair to require the submission of a costly and time-consuming petition every time that uncontrollable circumstances necessitate the filing of an RCE.

Because the proposed rules are intended to apply to applications pending on or filed after the effective date of the rules, any pending continuation applications or applications in which an RCE has been filed will represent the "end of the line" for applicants.

Therefore, in addition to the burdens described above, inventors will be forced to review their portfolios and file applications prior to the enactment of the proposed rules instead of spending that time and money on research and innovation.

The proposed rule changes will have most impact on applicants working in complex technical fields such as biotechnology. Examiners reviewing applications in new and complex technologies are less likely to fully comprehend the nuances of the invention in the limited time allotted by the Office for the initial search and examination. Complexity leads to a need for education of the Examiner. Additional opportunities are needed in complex cases to address technical issues arising during the course of prosecution. Biotechnology applicants are thus more likely to require the use of an RCE to obtain a fair and complete examination of their claims. As a result, rules which penalize applicants who use RCEs by denying such applicants the right to file a continuation application are especially unfair to biotechnology applicants.

III. Alternatives to the Proposed Rules

Improving the quality of patents and the speed at which the PTO is able to process patent applications is a laudable goal. The proposed rules, however, do not appear likely to accomplish this task. To the extent the PTO manages to reduce its work backlog, the proposed rules would seem to do so at the expense of an applicant's rights. We strongly suggest that an applicant should not be precluded from filing an RCE in the course of prosecuting a continuation application. The opportunity to file an RCE should be available to an applicant whether the applicant is prosecuting the first application in a family of applications or a continuation application.

If the PTO insists on limiting RCEs and continuation applications to some degree, we urge the PTO to consider less radical limits. A restrictive limit of three, four or five continuation applications per application family, for example, would reduce the adverse effects of the proposed rules.

Thank you for considering these comments.

Sincerely,

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