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From: Mark Nowotarski
Sent: Friday, September 08, 2006 8:57 AM
To: AB95 Comments
Cc: tom bakos
Subject: Comments to the July 10, 2006, Changes To Information Disclosure Statement Requirements and Other Related Matters, 71 Fed. Reg. 38808 (July 10, 2006)

INSURANCE IP BULLETIN
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September 8, 2006

VIA EMAIL

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RE: Comments to the July 10, 2006, Changes To Information Disclosure Statement Requirements and Other Related Matters, 71 Fed. Reg. 38808 (July 10, 2006)

Dear Sir:

The Insurance IP Bulletin thanks the PTO for the opportunity to comment on the PTO's Proposed Changes To Information Disclosure Statement Requirements and Other Related Matters of July 10, 2006.

The Insurance IP Bulletin (www.insuranceipbulletin.com) provides its readers with information on how intellectual property in the insurance industry can be and is being protected – primarily through the use of patents. We provide a forum in which insurance inventors, executives, entrepreneurs and legal counsel can share the challenges they have faced and the solutions they have developed for incorporating patents into their corporate culture. The Bulletin is published bimonthly and is free of charge.

These comments are submitted solely by the Insurance IP Bulletin and represent the viewpoints of its editors, Mark Nowotarski, and Tom Bakos FSA MAAA. Mark Nowotarski is also a registered US patent agent. Tom Bakos is a Fellow of the Society of Actuaries (FSA) and a member of the American Academy of Actuaries (MAAA).

Our comments will address the considerations of applicants for patents in the financial services arts. These arts include insurance and the broader financial services areas including, for example, taxation, banking, financial planning, investing, and accounting.

It is our opinion that the proposed rule changes will create a counterproductive burden of extra cost for applicants with no benefit in terms of more efficient examination. On the contrary, the proposed rule changes will result in poorer quality examination since they seek to limit the information available to examiners. Thus the proposed rule changes should be withdrawn.

This burden will be disproportionate to independent inventors since independent inventors currently represent the majority of applicants for patent applications in the financial services arts.

The primary reason this rule package will fail to obtain its objectives is that it fails to address the fundamental reason for examination inefficiency in the financial services arts. This fundamental reason is that the examiner corps has very little formal training, credentials, or experience in the financial services industry. To the best of our knowledge, for example, few if any examiners are certified as actuaries, underwriters, financial planners, accountants, or stock brokers. Thus examiners often have to spend a considerable amount of time learning the basics of a given area in order to effectively examine a given patent application.

To the PTO's credit, several programs are already in place to address this issue. New examiners with said credentials are being actively recruited and several education programs have been held where financial services industry experts are invited to be teachers. Nonetheless, additional actions are necessary to give examiners greater capability to review and assess prior art. We propose two actions that the PTO can take immediately to address this problem.

The first action is that examiners be given access to persons who are experts in the different fields of art of the particular financial services inventions they are examining. Given the years of study and experience that's required to achieve ordinary skill in the art of any given field of financial services and the relatively small number of patent applications in any given field, it would be far more cost effective for the PTO to rely on outside experts on an as-needed basis to assist examiners rather than attempt to develop expertise within the examiner corps in all fields of financial services. These experts could help the examiners read and understand both the applications and the prior art. The result would be an immediate improvement in the efficiency of examination and thus provide a substantial reduction in the current 4 to 10 year pendancy to first office actions. If examiners had access to experts on an as-needed basis, they could review prior art much more efficiently and thus process prior art submissions with more speed and effectiveness.

Our second proposal provides immediate benefit in all art areas. The PTO should provide optical character recognition software (i.e. OCR) to examiners so that they can convert non-patent literature into searchable text formats. This will immediately solve the problem of unduly large prior art submissions. Examiners could simply perform an OCR conversion to the submissions and then do key-word searches to identify the most relevant portions. The examiners we have spoken to have enthusiastically supported this suggestion and have confirmed that it would bring prompt improvements to the speed and efficiency of examination.

We recognize that both of the above suggestions require additional expenditures on the part of the Office. Speaking on behalf of our readership, however, additional modest fees charged to applicants to cover the cost of improving the capabilities of examiners to assess the materiality of prior art submissions would be far more preferable than the costs of complying with the proposed rule changes.

We respectfully request, therefore, that proper access to experts in the financial services arts be provided to examiners, that optical character recognition software be provided to

all examiners so that they can do key word searches on non-patent literature and that the current proposed rule changes be withdrawn.

Sincerely,

Mark Nowotarski
coeditor Insurance IP Bulletin

Tom Bakos FSA MAAA
coeditor Insurance IP Bulletin