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From: Chad D. Tillman

Sent: Friday, September 08, 2006 11:48 PM

To: AB95 Comments

Cc: Confirmation Copy

Subject: Comments from Tillman Wright, PLLC

Attached please find comments submitted from Tillman Wright, PLLC, regarding the proposed rulemaking published July 10, 2006, at Federal Register, Vol. 71, No. 131, p. 38808-38823.

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Via Email

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September 8, 2006

Mail Stop Comments – Patents
Attn: Hiram H. Bernstein
Commissioner for Patents
U.S. Patent & Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

RE: Comments on Proposed Changes to Information Disclosure Statement
Requirements and Other Related Matters

Dear Mr. Bernstein:

The law firm of Tillman Wright, PLLC (“TILLMAN WRIGHT”) appreciates the opportunity to offer comments regarding the U.S. Patent and Trademark Office (“USPTO”) changes in the practice of making information disclosure statement (“IDS”) filings, as set forth in the proposed rulemaking published July 10, 2006, at Federal Register, Vol. 71, No. 131, p. 38808-38823.

TILLMAN WRIGHT is a law firm having an office in Charlotte, North Carolina. The firm includes three registered patent attorneys, each of whom focuses his or her practice on patent preparation and prosecution. The majority of the client base of the firm qualifies for small entity status and includes individual inventors and small businesses. Over three hundred patent properties are currently associated with the law firm’s customer numbers, most of which represent active patent applications. Several clients of the firm have ten or more related, pending patent applications and at least one client has over forty related, pending patent applications.

TILLMAN WRIGHT implores the USPTO to forego the current proposed rulemaking to IDS filings.

First, TILLMAN WRIGHT believes that the rulemaking, if finalized as proposed, will have a significant, negative economic impact on individual inventors and small business seeking meaningful patent protection. As such, the rulemaking, if finalized as proposed, will reduce the financial capability of such persons to seek patent protection in the U.S. for their inventions.



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TILLMAN WRIGHT further believes that legitimate goals are served by the submission of a large number of references under current IDS filing practice *when* each of those references might be considered material to a reasonable person, i.e., when two or more reasonable persons might disagree as to whether a reference is in fact material.

Currently a legal duty is imposed on applicants and, among others, their attorneys, to disclose to the USPTO information that is “material” to patentability. Unfortunately, no bright line test is available to determine whether particular information is material. In situations where two reasonable persons may disagree as to whether information is material, the recommended course of action for an applicant is to submit such information for consideration by an examiner during prosecution. It is the duty and responsibility of the examiner to consider information and determine patentability in view of such information. As such, the examiner is the best person to determine materiality—not an applicant.

As a direct consequence of the ambiguity in the materiality standard, strong patents are achieved by submitting information that might be deemed material by a (i.e., *any*) reasonable person. This often results in more than twenty citations being made. Reducing this number of citations and requiring applicants and their attorneys to pick and choose such information submits applicants and applicants’ attorneys to unnecessary and unfair risks of making erroneous subjective determinations albeit in good faith. Identifying whether information may be considered material to any reasonable person, and second guessing an examiner or a court in identifying whether information is “in fact” material, are two distinctly different determinations. The first determination requires an objective analysis of whether a reasonable argument can be made that information is material, *whether or not such argument might prevail in the view of a particular examiner or a court*. The second determination requires a subjective determination be made by applicants and their attorneys of whether information is in fact material, and subjects the applicants and their attorneys to the risks that such subjective determinations were “wrong” in the view of an examiner or a court.

As a practical matter, the proposed rulemaking thus unfairly requires applicants and their attorneys to choose between not disclosing references that may be deemed material by a reasonable person (but may not be found to be material by applicants and their attorneys), and incurring significant professional fees in meeting the additional disclosure requirements contemplated in the proposed rulemaking if such references are disclosed.

TILLMAN WRIGHT further remarks that Examiners are charged with searching all of the information contained within the USPTO database of U.S. patents and published U.S. patent applications (“U.S. PATENT REFERENCES”), albeit usually via computer keyword searching. This is an enormous volume of information that the Examiner processes. As such, the submission and review of 20, 40, and even 100 U.S. PATENT REFERENCES should not pose any great burden on the Examiner, especially where such references might be material to a



reasonable person. Presumably, such references also are already being processed by the Examiner during the computer keyword searching.

In a related comment, TILLMAN WRIGHT believes that the USPTO has arbitrarily determined that twenty references is the appropriate quantitative threshold for triggering the additional disclosure requirements that are contained in the proposed rulemaking. The determinations made by the USPTO in arriving at the quantitative thresholds for triggering the burdensome disclosure requirements are flawed and further analysis should be performed prior to finalizing any quantitative thresholds. The determinations are flawed because only applicants that were allowed during an arbitrary six-week period of time were considered. The appropriate sampling should include not only allowed applications, but applicants that are not yet allowed, i.e., the sampling should include all pending applications. Indeed, TILLMAN WRIGHT submits that, based on the prosecution experience of TILLMAN WRIGHT, the average number of references submitted in IDS filings will be greater in *non-allowed* applications than in allowed applications. If true, the determination of twenty references based on the sampling taken by the USPTO is *necessarily biased* toward fewer references being disclosed and does not represent a true sampling.

Additionally, increasing the quantitative thresholds will reduce the severity of the negative economic impact to persons seeking meaningful patent protection because increased quantitative thresholds will affect less people. Due to the flaws in the USPTO sampling, TILLMAN WRIGHT submits that even if a new sampling of all applications is not taken by the USPTO, the quantitative threshold of twenty references should still be increased. TILLMAN WRIGHT submits that the quantitative threshold should be at least fifth references—the current limit of references allowed in the IDS form published by the USPTO for filing via the EFS-Web system. TILLMAN WRIGHT believes that fifty references—and not twenty references—best balances the interests identified in the proposed rulemaking.

With regard to particular details of the proposed rulemaking, TILLMAN WRIGHT submits that a further exception to the additional disclosure requirements should be allowed for references when those references have already been submitted and considered in an IDS filing in an application from which priority is claimed, regardless of whether such considered references were submitted in an IDS filing that complied with the rulemaking. This is especially true when the later filed application is assigned to the same art unit and, in particular, to the same examiner.

Additionally, TILLMAN WRIGHT proposes adding “, or has been considered by an examiner whether or not such information disclosure statement complied with paragraphs (a)(1), (a)(2) and (b) of this section” to the end of § 1.98(d)(2) in order to cover the scenario where the previous IDS was submitted prior to the finalization of the rulemaking. Such references also should not count toward the quantitative threshold since such references have already been considered in the related application.



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In another related comment, TILLMAN WRIGHT submits that the current rulemaking should only be adopted with proactive effect and not retroactive effect, and should apply only to those patent applications filed after the effective date of the rulemaking, which date should be a prospective date. Many currently pending applications have been filed and prosecuted in accordance with the current rules, and requiring compliance with the present rulemaking simply would have potentially severe financial implications for at least certain applicants.

In conclusion, TILLMAN WRIGHT favors changes intended to achieve the goals set forth in the proposed rulemaking; however, the changes that should be made are not those proposed in the rulemaking. Changes should be made, instead, to the standard that is applied in determining the applicability of the legal duty under Rule 56. The materiality standard should be clarified or replaced with a standard that is more readily applied and less prone to disagreement.

Applicants should further be encouraged—*but not required*—to provide additional disclosure filings as found in the proposed rulemaking, and applicants should be consequently rewarded for doing so. For instance, examination or the next office action could be accelerated when such additional disclosure filings are made. The “carrot” approach rather than the “stick” approach likely would work better for all parties involved, including both applicants and the USPTO.

TILLMAN WRIGHT submits that the rulemaking as proposed will have a severely damaging economic impact on individual inventors and small businesses seeking meaningful patent protection in the United States. Accordingly, TILLMAN WRIGHT implores the USPTO not to finalize the rulemaking as proposed.

Respectfully submitted,
TILLMAN WRIGHT, PLLC

/Chad D. Tillman/

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U.S. Reg. No. 38,634

For the firm