

Subject: Public Comments on the 9/12/03 PTO Proposed Rules

Re: Request for Comments on the Changes to Support Implementation of the United States Patent and Trademark Office 21st Century Strategic Plan

Dear Sirs:

These comments are being submitted in response to the September 12, 2003 Request for Comments on the changes to support implementation of the U.S. Patent and Trademark Office 21st Century Strategic Plan. They are purely my own personal comments, as a registered practitioner of over 40 years, practicing for more than 30 years in a large Corporation that handles nearly a thousand patent applications per year, in which I also provide advice and counseling to the other patent attorneys.

However, I am also quite professionally active, and I have personal knowledge from recent professional meetings and committee activities that not a single one of numerous major corporate representatives who have addressed this package of proposed rules is in favor of the proposed amendment and the accompanying proposed uses of 37 CFR 1.105, as written.

This massive, extremely time-consuming, and very legally dangerous expansion of Rule 105 interrogatory and deposition judicial powers to thousands of non-attorney examiners with no judicial supervision appears to be a very premature PTO sua sponte implementation of one of the patent system recommendations in the important but only very recently published FTC Report, which the patent bar and IP organizations are only now beginning to analyze. Furthermore, this major and serious practice change is buried in a large package of many other proposed new PTO rules, also needing public input, yet not scheduling any public hearing, and providing only a very limited written public response time period. All of this seriously burdens the very limited pro bono time which busy practitioners have available. I understand that at least two major IP Bar Associations will be asking for more time to respond. It is speculated that there may even be judicial challenges to some of the legal conclusions which the PTO is specifically proposing to demand that applicants answer, and to the accuracy of the PTO OMB submission for the Federal Paperwork Reduction Act. As one example of the level of objection to this proposal, I have copied parts of an initial draft IP Committee report below.* I also note that this sweeping judicial discovery power is not now granted to or utilized by even the vastly more legally qualified APJ's of the PTO interference litigation trial section, where it would be much more appropriate that in severely cost-constrained ordinary patent prosecution, especially by small entity applicants.

Accordingly, it is respectfully requested that consideration of this one particular highly objectionable and controversial Rule proposal be deferred, to the subsequent separate proposed rule RFC.

Among the PTO listed proposed examiner interrogatory response demands from any applicant under this proposed rule change are the following, almost all of which but the final one call for unanswerable or extremely legally dangerous to answer legal conclusions {not facts} which even Federal Courts and the Federal Circuit often have difficulty answering or deciding even after expensive discovery and trials:

"- applicant's understanding of the knowledge of one of ordinary skill in the art;
- applicant's interpretation of the distinctions among claims;
- applicant's interpretation of the common technical features shared among all claims, or admission that certain groups of claims do not share any common technical features;
- applicant's intention for the scope of structural and procedural support found in the disclosure for means or step plus function claims;
- applicant's interpretation for precisely which portions of the disclosure provide the written description and enablement support for each claim element;
- applicant's interpretation for the intended breadth of claim terms, particularly where those terms are not used per se in the specification;
- applicant's interpretation of which portions of each claim correspond to the admitted prior art in the specification;
- applicant's interpretation of the specific utility provided by the claimed subject matter; and
- applicant's identification of new subject matter in a continuation-in-part."

As to other comments on other proposed rules in this package, the very thorough public comments being filed by William Berridge of the Oliff & Berridge firm are hereby incorporated by reference and supported. Regretfully, most of the rest of the Patent Bar has not had time to do so.

In particular, as to amended Rule 1.98, it is not seen why applicants and the PTO should continue to be burdened with the supplying of hardcopies of pending related applications already readily available in the PTO, since the PTO has indicated that all applications filed since last month have all been scanned in and are electronically viewable by all examiners. Thus, this proposed rule requirement should obviously be limited to applications filed before that date.

Likewise, the reference to CPA's in 1.115(2)(ii)(c) is also obsolete, since CPA's have been eliminated.

Also, as others have noted, proposed new section 1.57(a) is indicated as intending to allow for addition of subject matter to an application specification where such subject matter has been "inadvertently" omitted from the application specification but is "completely contained" in a priority document, where the application contains a claim to the priority document which is present on the date of receipt of the application. The proposed rule raises potential issues with respect to whether any particular omission was "inadvertent" at the time of filing of the application, especially as to foreign applicants. Further, potential issues are also raised as to whether such rule would allow for correction of NON-obvious (based only on the filed application itself?) translational and/or typographical errors which distinguish the filed application disclosed subject matter from the priority document. Are such corrections consistent with precedential case law? Also, are they not disadvantageously inconsistent with the treatment given to U.S.

applicants in some foreign countries on such issues? Should that be better resolved by bi-lateral negotiations?

Some of the proposed changes in Section 1.115(b) are dangerously confusing with respect to what subject matter constitutes part of the "original disclosure of the application", as opposed to an "originally filed specification, including claims, and drawings". The proposed first sentence is a clearly legally incorrect absolute statement that any preliminary amendment filed on or prior to an application filing date is a part of the "original disclosure of the application" [whether referenced in the oath/declaration or not, and whether or not made after the date of execution]! Unless the preliminary amendment is specifically referenced in the applicants' oath or declaration, a determination must still be made as to whether the preliminary amendment introduces new matter relative to the unaltered version of the specification actually referenced in the oath or declaration. The second sentence of proposed Section 1.115(b) should also be amended, to read, for example; "If such a preliminary amendment is submitted on or prior to the filing date of an application and is determined..."

I regret not having sufficient time to respond more fully as to other rule proposals.

Respectfully Submitted,

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* [quote] "Our concerns are primarily based on the explicit requirements for the production of various types of information regarding an applicant's "knowledge", "opinions", "intentions" and "interpretations" in response to interrogatories and requests for stipulations that go beyond the applicants' existing duties under Rule 56 to provide information known to the applicants and material to patentability. To the extent the suggested implementations of this section go beyond an applicant's duty under Rule 56, such implementations have the very real potential to result in applicants facing consequences of unnecessarily limited file histories, increased costs of prosecution, and increased probability of unsupported allegations of inequitable conduct. As noted in the commentary to the proposed changes to Rule 105, 35 U.S.C. sets forth the patentability requirements that must be met in an application for patent. To avoid the potential problems mentioned above, it is believed that where perceived issues with respect to any particular patentability requirements arise during examination of a particular patent application, it is far preferable to continue the current examination practice rather than require an applicant to have to respond to potentially unrestrained examiner stipulations and interrogatories. The examiner should continue to make any appropriate objection or rejection associated with any perceived patentability issues, and allow applicants to respond thereto as necessary.

One purported rationale for the proposed rule change is to shift responsibilities of production of information which is [admitted by the PTO to be] "highly burdensome to collect" during examination to the

applicant. It is noted that a recently released FTC report ("To Promote Innovation: The Proper Balance of Patent Law and Policy") contains a similar recommendation endorsing greater use of Rule 105 to improve examination efficiency. There is no explanation in the proposed rule change commentary, or in the FTC report, however, as to why production of such information would not be similarly highly burdensome to applicants. To the contrary, because the answers provided by applicants would be subject to estoppel assertions, an applicant would be under pressure to do extensive research as to the potential implication of any answers provided. As a result, the cost to applicants in answering such requests for information would likely be significantly higher for applicants, potentially greatly increasing the applicants' cost of prosecution.

Further, the "shift in burden of production" rationale is inconsistent with the concept of informed negotiation on which other aspects of patent prosecution practice, such as the duty of disclosure, are based. We believe that the concept of an informed negotiation between the PTO and the applicant requires that both sides know the relevant facts; but we also believe that such a negotiation requires that both sides make their own evaluations and form their own opinions based on those facts.

The commentary outlines the intent of requesting information from the applicants which is non-factual, and which can only be the opinion of the party providing the information (items in the knowledge of the hypothetical person skilled in the art; rationales for combinations of references; etc.). To the extent such items relate to questions calling for legal conclusions, rather than purely factual matters, the potential for non-judicial unrestricted interrogatories by non-attorneys under Rule 105 is particularly problematic. Handing unrestrained interrogation and discovery authority to untrained and inexperienced non-lawyer examiners (with little or no knowledge of the potential legal implications and consequences that may be associated with providing answers to any particular request), and encouraging their use would be legally and administratively irresponsible. A "person of ordinary skill in the art", e.g., is a legal fiction, and that hypothetical person's knowledge in a particular art is often an issue in patent litigation. Where such legal questions, or questions of fact at a legal fiction are at issue, they are more appropriately decided in a judicial forum as opposed to an administrative forum subjecting the applicant to estoppel implications that may be difficult or impossible to predict.

Complying with the added mandatory discovery requirements under proposed expansions of Rule 105 will be extremely costly and difficult (if not impossible) for applicants. The discovery or questions can potentially cover all of the information available within, for example, a large corporation. This would go well beyond the information known to the inventors and attorneys, as required by Rule 56. As a practical matter, it may be impossible to give complete answers. Simply put, there is insufficient justification for granting such sweeping judicial powers to patent examiners in the prosecution of relatively low budget patent applications. The proposed rule attempts to give the PTO plenary interrogatory and discovery powers that even a federal court would hesitate to use in litigation, and only then with some experienced exercise of restraint.

We agree that it is generally in everyone's best interest for applicants to voluntarily work together with examiners to provide pertinent information

and help the examiner understand the art and claimed invention.

However,

there appears to be insufficient justification for a rule that broadly grants explicit authority to require an applicant to submit any information requested by the examiner that the examiner subjectively considers to be "reasonable", regardless of whether such requests go beyond an applicant's current obligation to submit information material to patentability of which they are aware. In particular, there is certainly no justification to grant the authority to request production of the specific type of information added in the proposed rule change and discussed in the commentary thereto. While the comments state all requirements for information must be "reasonably necessary" to treating a matter in an application, there is the issue of actual compliance with such stated requirement. Lessons learned by the PTO with respect to the materiality standard under the duty of disclosure should serve as a strong caution to avoid using the proposed broad and vague standards for requesting information under proposed Rule 105.

Expanding the examiner's authority to require submission of any information, or to require a response to any interrogatory further may increase not only the cost of prosecution, but also the uncertainty of prosecution. Examiners may inconsistently apply the proposed new rule on a case-by-case basis, and the rule may be inconsistently applied from examiner-to-examiner. Experience with the Office also suggests that the time limit for response to the proposed Rule 105 requirements may run out before a petition under Rule 181 can be decided by the Office. This leaves the applicant with the dilemma of responding to requests unreasonably demanded by an examiner, abandoning the application, or undergoing the expense of filing for continued prosecution.

It is also conceivable that information unreasonably required could include confidential or trade secret information, which, if submitted, would become available to the public when the patent grants (or if the application is published). Rule 105 makes no provision for protecting such information.

For the above reasons, -- [name of drafting committee deleted] does not support the proposed changes to Section 1.105.

While not the subject of the present proposed rules changes, it is noted that the recent FTC report further endorses the solicitation of statements regarding applicants' interpretations of the relevance of cited references, even where such references are in the English language and thus readily interpreted by the examiner. The perceived relevance of references is again a matter of opinion about which reasonable and well-intended minds can and will differ. The PTO is cautioned to consider the similar negative implications which may be imposed upon applicants and patentees if such practice were to be adopted, again in the form of potentially unnecessarily limited file histories, increased costs of prosecution, and increased probability of unsupported allegations of inequitable conduct."

