

The Potential Future of Patent Examination

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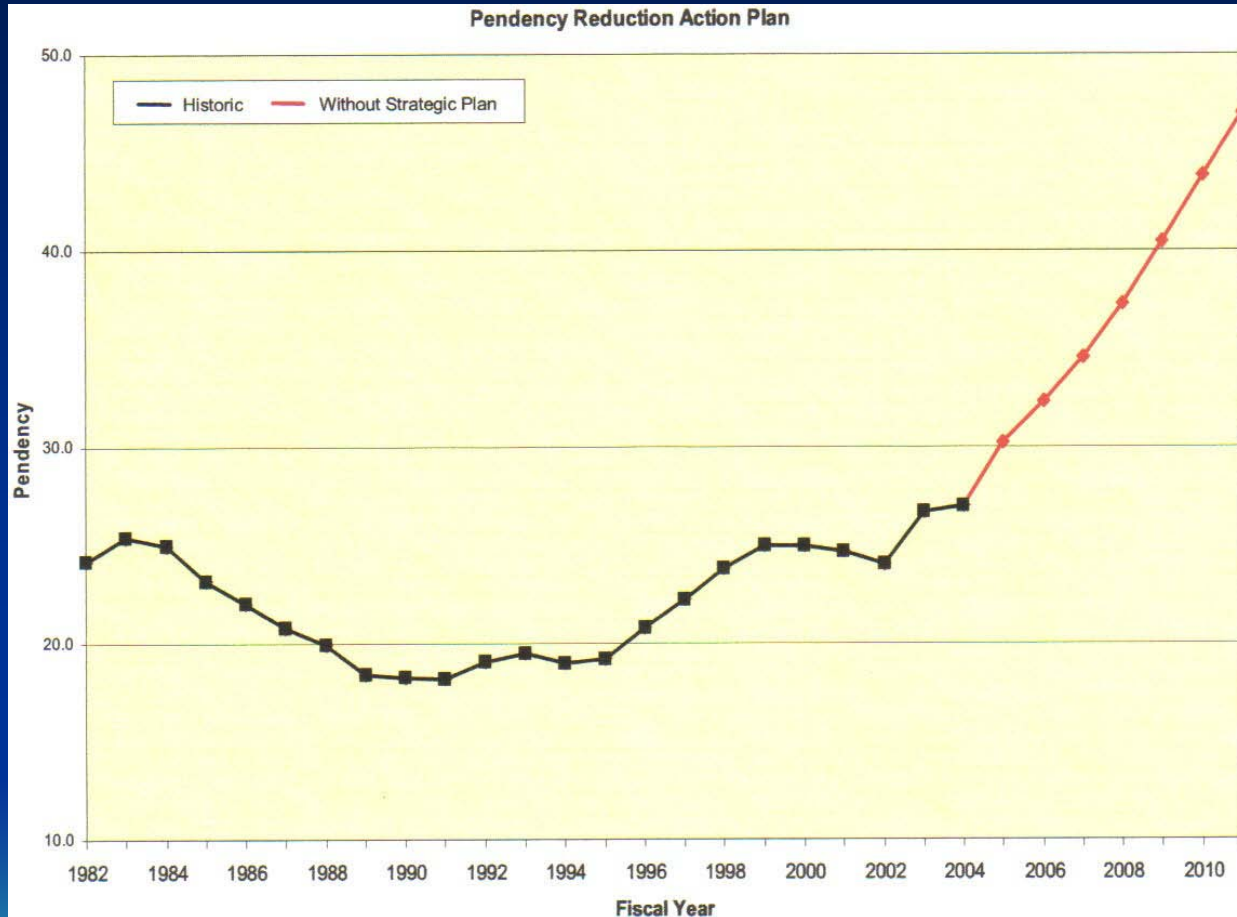


PTO Woes

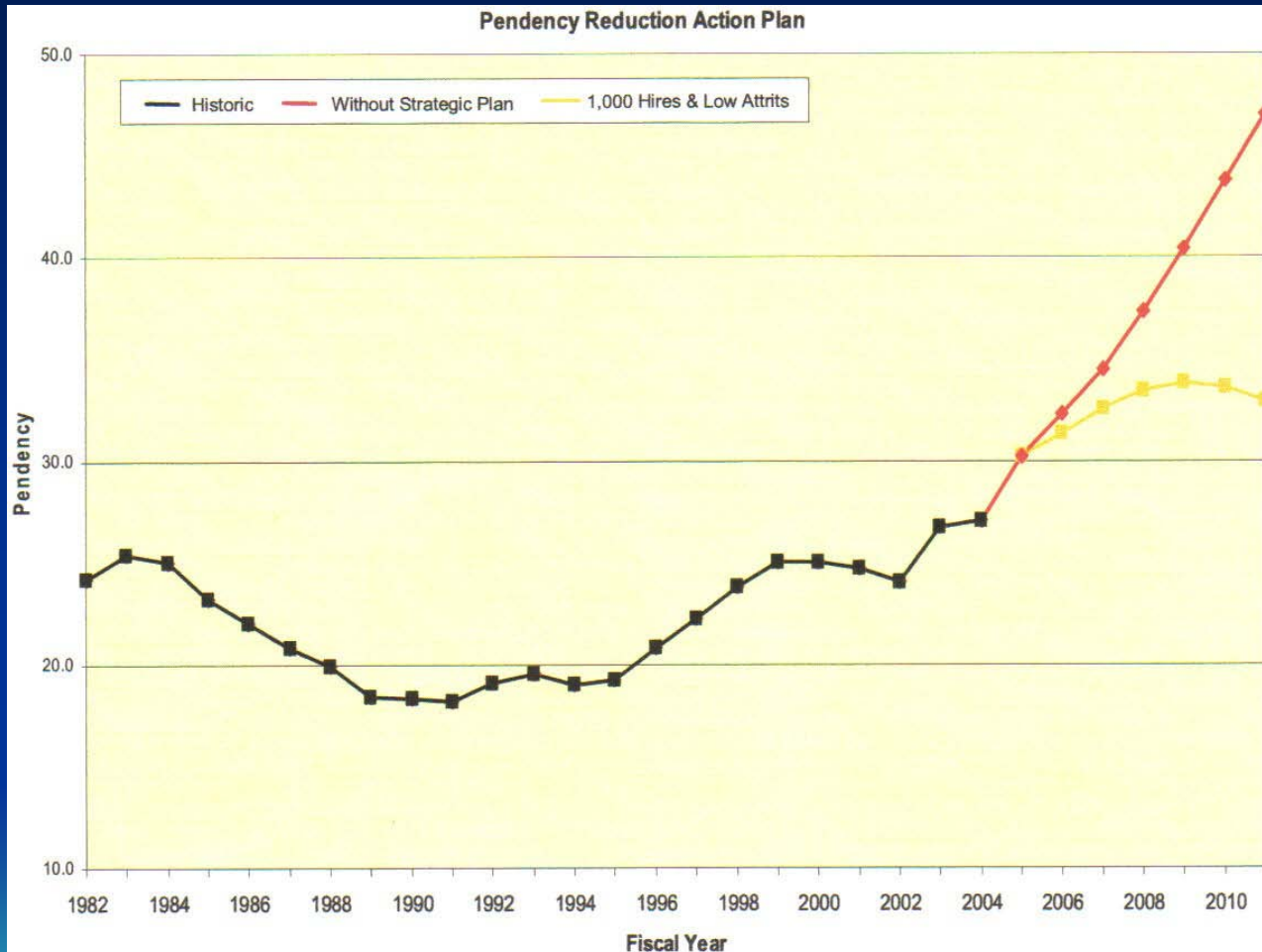
- Pendency Continues to Fall Behind
 - Backlog increased from 756K to 885K in FY '05
- PTO Will Hire 1,000 New Examiners
 - But this is still not enough.
 - They loose 19% of the new examiners each year
- Quality Problems? At the PTO?
 - More than 60% of Appeal Conferences either allow the application or send it back for further searching
- So, the PTO Has Been “Brainstorming” (Scary) and the Following is the Result



The Future



The Future



The Future

- Continuation Phobia
 - Continuations are the root of all evil!
 - Continuations are termed “rework” by the PTO
 - Continuations are said to have a “crippling effect on the Office’s ability to examine new applications”
 - Proposed rules in 71 Fed. Reg. 48 (January 3, 2006) limit applications to one continuation or RCE (time for comments: until May 3, 2006)
 - No RCE’s will be allowed in continuing applications (except divisionals)
 - Additional continuations/RCE’s are possible, but the applicant will have to show why the amendments or evidence could not have been made or submitted earlier (and pay a \$400 petition fee)
 - However:
 - 17% of all examinations are Divisionals, CIPs, and Continuations (3% are the second or above continuation)
 - 14% of all examinations are RCE’s (3% are the second or above RCE)
 - Only approximately 6% of all examinations are the second or above continuation (thus, eliminating second or above continuations will not provide substantial savings in examination resources)
 - However, 1 in 5 of all continuations are second or above continuations (18% of all continuations are second or above) which indicates that they are considered necessary by the applicant



The Future

- Representative Claim Sets
 - Claims are the root of all evil!
 - Proposed Rules can be found in 71 Fed. Reg. 61 (January 3, 2006-time for comments: until May 3, 2006)
 - Applicants must designate a maximum of 10 claims that will be Examined
 - All independent claims will be counted in the designation
 - If an applicant designates more than 10 claims (combined with all independent claims), the applicant will be invited to:
 - Cancel claims,
 - Provide an Examination Support Document, or
 - Suggest a Restriction Requirement, with election
 - Each restricted application (divisional) will have its own representative claim set

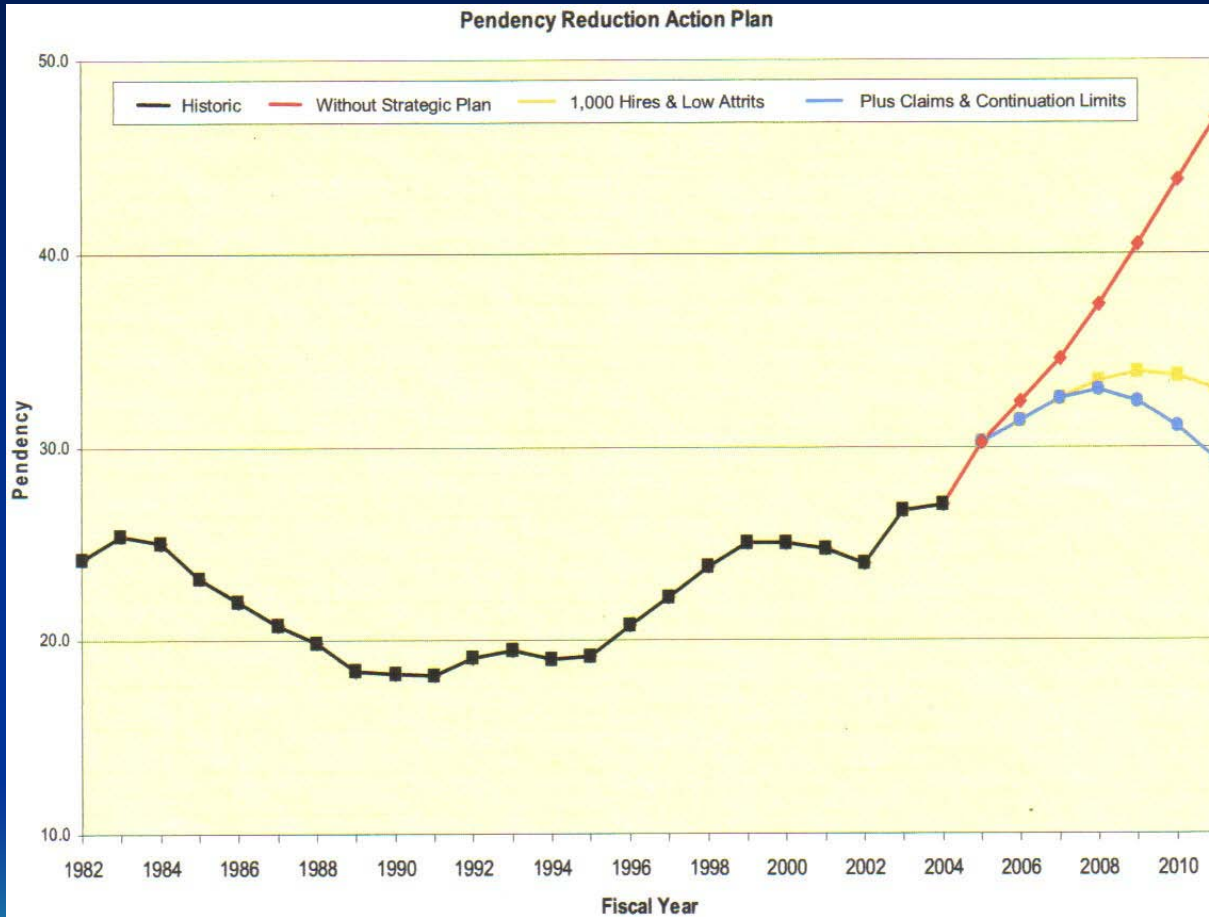


The Future

- Examination Support Document
 - A listing of databases searched
 - Must include US and foreign patents, and non-patent literature
 - Otherwise the attorney must certify that no more pertinent references are likely to be found in the omitted databases
 - The search criteria
 - An IDS
 - An explanation of how each designated and independent claim differs from, or is the same as, each of the references in the IDS
 - A statement of utility of each designated and independent claim
 - Identification of support (35 U.S.C. § 112, first paragraph) of each element in each designated and independent claim



The Future



The Future

- IDS Practice
 - Prior art references are the root of all evil!
 - Limited to 25 references
 - Each reference limited to 30 pages
 - More or longer references can be submitted, so long as the applicant submits a statement of why the references are relevant
 - Can you spell “estoppel”?
 - References from foreign applications would not be counted in the above totals
 - Foreign search reports list relevance already

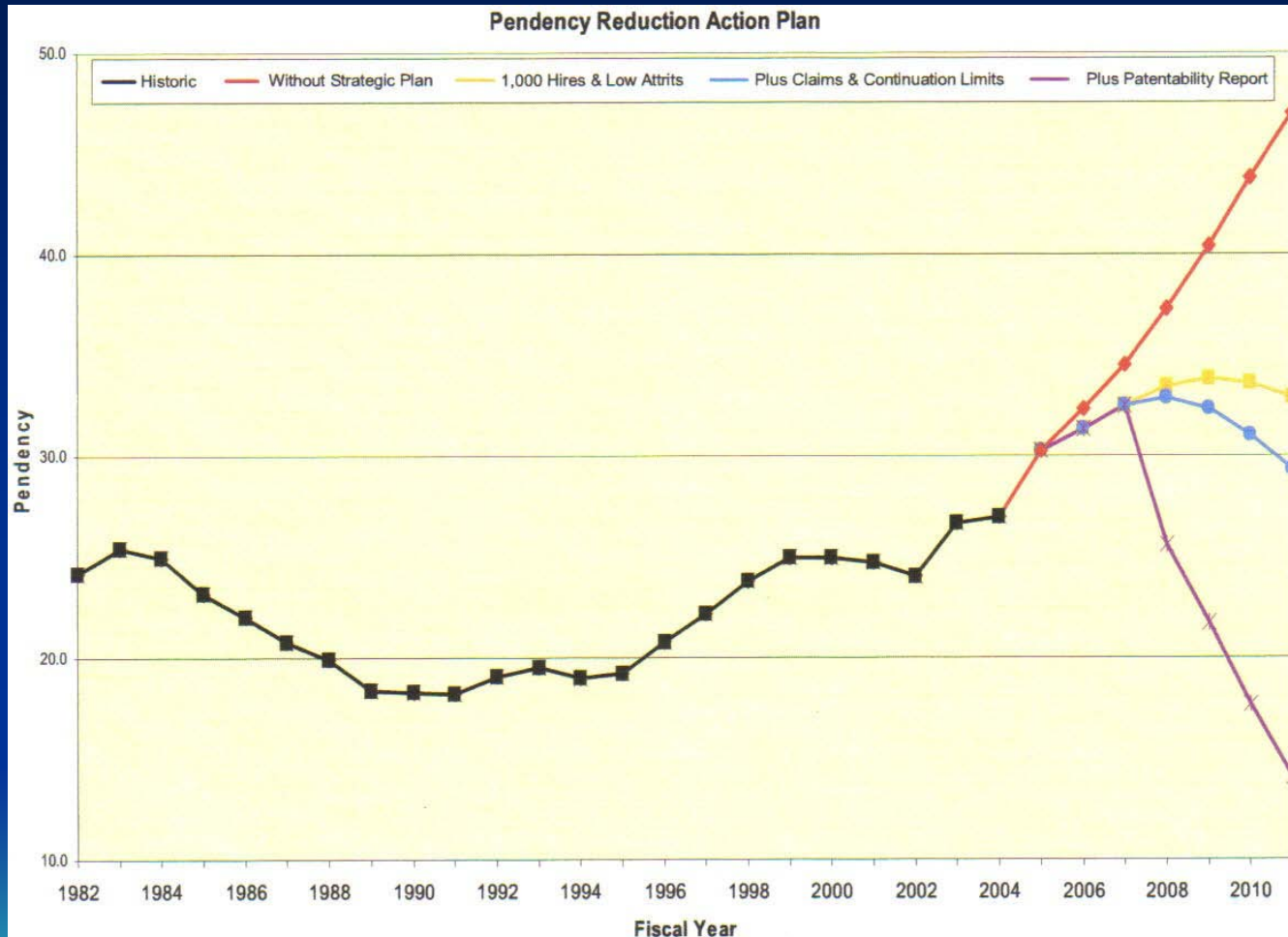


The Future

- Patentability Reports
 - Searching is the root of all evil!
 - “Examiner Search Assistance Reports”
 - Appears similar to the proposed Examination Support Document
 - PTO search grids must be used
 - Search grids indicate what databases should be searched
 - <http://www.uspto.gov/web/patents/searchtemplates/class.htm>



The Future



The Future

- More on the Proposed Rules:
 - Proposed Rules Limiting Continuations Also Set Forth:
 - If two commonly assigned applications have at least one common inventor and are filed on the same day, a rebuttable presumption is established that the applications have patentably indistinct claims (§1.78(f)(2))
 - If two commonly assigned applications have at least one common inventor and are filed within two months of each other, the applications must cross-reference each other (§1.78(f)(1))
 - Once the proposed rules are enacted, if a continuation has been previously filed, no more will be allowed
 - Rules Limiting Claims Also Set Forth:
 - If an applicant does not designate claims, only the independent claims will be examined
 - Restriction requirements are based on all claims, not just the designated claims
 - A claim that does not incorporate by reference all limitations of the claim from which it depends will be treated as an independent claim

The Future

- H.R. 2795, if enacted in current form, would:
 - Switch to a “first-inventor-to-file” system instead of “first-to-invent”
 - Alter the “one-year grace period” to apply only to inventor activities
 - Third parties activities (disclosures, offers for sale, etc.) would have no grace period
 - Eliminate 35 U.S.C. § 102(c), (d), and (f)
 - Allows the assignee to be the inventor and to sign the declaration
 - Eliminate the “Best Mode” requirement
 - Eliminate the ability to opt out of patent publications

The Future

- H.R. 2795, if enacted in current form, would:
 - Allow competitors to provide pre-issuance submissions to the USPTO
 - Provide USPTO with discretion to not allow continuations
 - Reduce “Reasonable Royalty” to only the percentage of contribution of the infringed patent to the complete device
 - Clarify “Willful Infringement” to only one or more of the following:
 - Infringer must receive specific written notice
 - Infringer intentionally copies patented device/method
 - Infringer continues to infringe even after an adverse court ruling
 - Allow post-issuance opposition proceedings
 - Last reported action on H.R. 2795 was a hearing on Sept. 15, 2005



The Future

- Accelerated Examination
 - The patent will issue within 12 months of filing if:
 - Pay additional fee for accelerated examination
 - Electronically file all papers
 - Single invention (no traversal of restriction requirement)
 - Maximum number of claims
 - Patentability report required
 - Pre-first Office Action Interview probable
 - No extensions of time



The Future

- Quality, a PTO Solution
 - Increase patent classroom training to 8 Months
 - Average PTO tenure normally hovers around 1-2 years
 - Most new hires are directly from engineering school
 - Now they will be paid to go to school, and can add the PTO academy to their resume just before they quit.
 - Reduce on the job training (to help pendency)



The Future

- Disconnect Between PTO and Fed. Cir. on “Quality”
 - Fed. Cir.: Need more claim differentiation and more embodiments, and more and more non-claimed matter is being dedicated to the public as claim scope is continually narrowed
 - PTO: Raise fees for excess claims
 - PTO: Mandate representative claim sets
 - Fed. Cir.: All statements made during prosecution create estoppel
 - PTO: Require statements of relevance in IDS
 - PTO: Require patentability reports
 - Fed. Cir.: Constantly narrowing breath of patents
 - Beneficial to keep a continuation alive in case broader claims are needed
 - PTO: Severely limit or eliminate continuation practice



Feeling Rejected

- Interviews
 - Revised MPEP §713.02 permits interviews before the first office action
- 35 U.S.C. §101 Proper Subject Matter
 - *Ex parte* Lundgren (Ex parte Lundgren, BPAI, 10/05)
 - Focus is not on whether a “computer” or other machine is used in the method
 - Focus is on whether the method produces a useful, concrete, and tangible result
 - Lundgren should stop the recent rash of baseless 35 U.S.C. §101 rejections
 - See Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility, 1300 Off. Gaz. Pat. Office 142 (Nov. 22, 2005) (Patent Subject Matter Eligibility Interim Guidelines).

Feeling Rejected

- CREATE Act
 - Cooperative Research and Technology Enhancement Act (Dec 10, 2004)
 - Extends obviousness exemption of 35 U.S.C. § 103(c) to exclude not just commonly owned § 102(e, f, and g) references from obviousness rejections, but also to exclude those references prepared under a “joint research agreement” from obviousness rejections.
 - § 102 (e) applies to another’s patents that were printed after, but were filed before, applicant’s filing date
 - § 102 (f and g) generally apply to rarely known evidence (“did not invent,” “invented by another”)



Feeling Rejected

- CREATE Act modified 35 U.S.C. § 103(c) as follows:
 - (c) (1) Subject matter developed by another person, which qualifies as **prior art only under one or more of subsections (e), (f), and (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the claimed invention was made, owned by the same person or subject to an obligation of assignment to the same person.**
 - (2) For purposes of this subsection, subject matter developed by another person and a claimed invention shall be deemed to have been owned by the same person or subject to an obligation of assignment to the same person if—
 - (A) the claimed invention was made by or on behalf of parties to a **joint research agreement** that was in effect on or before the date the claimed invention was made;
 - (B) the claimed invention was made as a result of activities undertaken within the scope of the **joint research agreement**; and
 - (C) the application for patent for the claimed invention discloses or is amended to disclose the names of the parties to the **joint research agreement**.
 - (3) For purposes of paragraph (2), the term "joint research agreement" means a written contract, grant, or cooperative agreement entered into by two or more persons or entities for the performance of experimental, developmental, or research work in the field of the claimed invention

Feeling Rejected

- **35 U.S.C. § 102(a)**
 - Known or used, patented or described in a printed publication “by others”, before the “invention thereof by the applicant”
 - Use or publication must be “by another” and the printing date of the publication or patent must pre-date applicant’s filing date
- **35 U.S.C. § 102(b)**
 - Patented or described in a printed publication (by anyone, including the applicant), or on sale more than one year before invention by applicant
 - Sale, use, or publication can be by applicant, but activity and printing date must pre-date filing date by one year
- 35 U.S.C. § 102(c) Applicant must not have abandoned the invention
- 35 U.S.C. § 102(d) Foreign application filed by applicant more than 12 months prior to U.S. application
- **35 U.S.C. § 102(e):**
 - Published Applications and Patents “by another” that have a “filing date” before applicant’s filing date
 - Applies to another’s patents that were printed after, but were filed before, applicant’s filing date
- 35 U.S.C. § 102(f): Inventor “did not himself invent” (usually confidential documents)
- 35 U.S.C. § 102(g): Interferences and previous invention by another that were “not abandoned, suppressed, or concealed” (usually confidential documents)
- 37 C.F.R § 1.130 Prevents double patenting
 - Covers the situation where the same applicant files a subsequent application on an invention that has not been printed for a year as required by §102(b)



Feeling Rejected

- Pre-Appeal Brief Conference
 - Pilot Program but probably become permanent
 - On January 11, 2006 the USPTO issued an announcement that the USPTO is extending the pilot pre-appeal brief conference program “until further notice”
 - File Pre-Appeal Brief Conference Request (PTO/SB/33) with Notice of Appeal (no extra fee for request)
 - No amendments, affidavits, evidence
 - No applicant participation
 - Can attach 5 pages of argument
 - Same Panel (Examiner, SPE, one Conferee (primary or above)) reviews the Pre-Appeal Brief Conference Request as reviews the Appeal Brief



Feeling Rejected

- What to Argue in the 5 page Attachment to the Pre-Appeal Brief Conference Request
 - Clear Errors
 - Improper date of reference
 - Missing claim element in prior art
 - Clear support in specification for 112 rejection
 - Lack of Prima Facie Case
 - Lack of motivational statement for proposed combination
 - No evidence to support motivational statement
 - Improper art field of reference



Feeling Rejected

- What not to Argue in the 5 page Attachment to the Pre-Appeal Brief Conference Request
 - A different claim construction than the examiner
 - A different interpretation of the teachings of a reference than the examiner
 - Different dictionary definitions of claim terms
 - Secondary Considerations (commercial success, etc.)
 - Characteristics of what one ordinarily skilled in the art would have known
 - Unreasonable arguments against “official notice”
 - Boilerplate (5 pages was given because of the possibility of multiple rejections; 1-2 pages per rejection)
 - Cut and paste repeat of previous arguments (rephrase to make the arguments more concise)
 - Age of references, number of references, piecemeal analysis
 - Present only the best arguments in a nutshell format



Feeling Rejected

- Response from Pre-Appeal Brief Conference Request
 - Panel’s decision should come within 45 days
 - Panel’s decision will only state (without commentary or explanation):
 - Application remains under appeal
 - Prosecution is reopened
 - Application is allowed
 - Request is non-compliant
 - If the application remains under appeal you have the longer of the following to file the appeal brief, file an RCE, etc.:
 - 2 Month time from the Notice of Appeal
 - 1 Month from the date of the Panel’s decision
 - The same panel is likely to review the Appeal Brief and the Pre-Appeal Brief Conference Request.
 - To avoid having the Appeal Brief conference be a “rubber stamp” on the previous conference make sure that issues that were not discussed in the 5 page attachment to the Pre-Appeal Brief Conference Request are highlighted so that they will be considered at the Appeal Brief Conference



Find a Good Application for Yourself

- Phillips v. AWH Corp 415 F.3d 1303 (Fed Cir. 2005) (en banc)
 - Some say the most important case of 2005
 - Held that claims are not limited to the example(s) given in the specification (unless limited by the specification or prosecution history estoppel)
 - Breaks away from line of cases that said claims are limited only to examples included in the specification
 - Held that the specification is most important in construing the claims and that extrinsic evidence is less important
 - Breaks away from line of cases that said that one should only look to dictionary definitions for claim language



Find a Good Application for Yourself

U.S. Patent Jul 7, 1987 Sheet 2 of 3 4,677,798

FIG. 6.

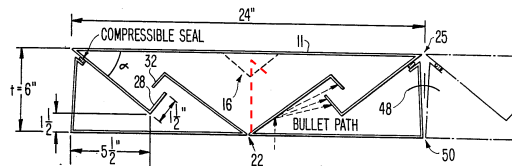


FIG. 7.

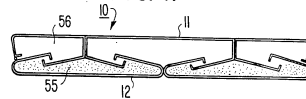


FIG. 8.

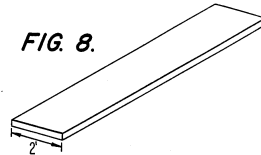


FIG. 10.

FIG. 9.

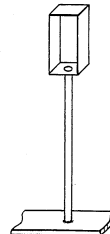
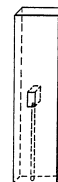


FIG. 11.



Find a Good Application for Yourself

- Phillips v. AWH, Claim in controversy
 - Claim 1. . . . Building modules adapted to fit together . . . comprising internal steel baffles extending inwardly from the steel shell walls.
 - The only examples in Phillips used non-perpendicular baffles
 - The infringer used perpendicular baffles (red baffle in previous slide)
 - Claims do not specify any orientation of the baffles



Find a Good Application for Yourself

- Recent trends in “good” applications (especially in light of Phillips v. AWH)
 - Don’t recite “the invention” as it might be construed as “the invention is only”
 - Instead only discuss “embodiments of the invention”
 - Refer to all aspects of the invention as merely examples used to illustrate the invention
 - State that one ordinarily skilled would understand that the invention is not limited to the examples discussed
 - Wang Labs v. AOL
 - “Character-based frames” were the only type of frame disclosed and this was read into the claims that only stated “frames” when the non-infringing competitor used bit-mapped frames
 - SciMed v. ACS
 - “Dual lumens” was all that was claimed, and the only disclosed embodiment of side-by-side was read into the claims to prevent infringement of a concentric arrangement of lumens
 - Gentry Gallery v. Berkline
 - Only console based recliner levers were disclosed, but the claims did not limit where the levers could be
 - The competitor used non-console levers which did not infringe because the court read “console” into the claims



Find a Good Application for Yourself

- Monday Morning Quarterbacks
 - Sometimes it is impossible to know how the invention will be infringed
 - At every physical feature reasonably state that items can be positioned anywhere, can be any size, any color, any shape, made of any material, can be at any angle, can be different relative sizes when compared to other features
 - At every method step reasonably state that the steps can be performed in any order, that some steps can be omitted, that any technology or device can be used in the process whether now known or developed in the future



Find a Good Application for Yourself

- Use many different claim types and focus
 - Make at least one claim set apply to a single infringer (next slide)
 - Use all diverse claim types:
 - Apparatus: Picture Claims, Functional Structure Claims, Means-plus-function
 - Method: Cookbook Claims; Functional Claims, Software Claims, Storage Media Claims, Signal Claims, Business Method Claims
 - Use both system and method claims in every application (regardless of whether the application is fundamentally a process or apparatus)



Find a Good Application for Yourself

A method for downloading software comprising:

operating a first computer to create a software request;

transmitting said software request to a network;

operating said network to transfer said software request to a second computer;

operating said second computer to generate a download in response to said software request;

transmitting said download to said network;

operating said network to transfer said download to said first computer; and

operating said first computer to execute said download.

A method for downloading software comprising:

receiving a software request from a first computer over a network;

operating a second computer connected to said network to generate a download in response to said software request;

transmitting said download over said network to said first computer; and

causing said download to execute on said first computer.



Moral of the Story

- If the future has you feeling rejected, to find true inner peace and harmony, all you need is to find a good application for yourself

