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November 10, 2008

Via: Email

Nicholas A. Fraser
Desk Officer for USPTO
Office of Information and Regulatory Affairs
Office of Management and Budget
[Nicholas A. Fraser@omb.eop.gov](mailto:Nicholas.A.Fraser@omb.eop.gov)

Re: Public Comment re: PTO Information Collection Request (ICR) 0651-00xx

Dear Mr. Fraser:

I have filed numerous appeals in the U.S. Patent and Trademark Office (PTO) and find that the new rules promulgated on June 10, 2008, would be overwhelmingly expensive and burdensome, and little PTO proper process has been given. I file 8-10 appeals per year, and have done so for more than 20 years.

1. The PTO has not provided an objectively-supported estimate of the number of burden hours required to comply with the Appeal Rule.

Historically, the PTO has severely underestimated the number of burden-hours, and has failed to provide any analytical transparency into the sources or methods employed. Often, the PTO's burden estimates consist of mere "judgment" or "belief." Flawed statistical methods, or "informal surveys" with no disclosure of data or method, are not "objectively supported." This ICR, which if approved by OMB would legitimize a very significant change in the appeal process, would impose significant new burdens on applicants via their counsel. These requirements are so burdensome that organizations such as the Patent Resources Group (PRG, a preeminent patent attorney training organization) has presented a full-day CLE program to teach practitioners how to handle all the new work required. The PTO estimate should be as correct as possible, reflecting all time expended, and this the PTO has not done in any proper way.

From my experience, writing an appeal brief under the rules last revised in 2004 typically takes between 50 and 80 hours, and sometimes more. It has never taken me 30 hours or less, which is what the PTO assumes to be the *average* burden. Under the new appeal rule, I estimate that

the time required will increase to 100 to 240 hours or more – i.e., double to triple the time for doing an appeal brief.

This time is merely for execution of the appeal brief – writing it, assembling the appendices, and filing it. The time for preparing to draft the brief, the client meetings and communications, the research, and decisions - such as whether to file a request for continued examination, a pre-appeal brief review, or an appeal all takes additional time. My experience is that this time ranges from 8 to 20 hours, with an additional 8-10 hours for a pre-appeal brief review filing.

Under the PTO's proposed new rules on appeals, I expect that these times will at least double and more likely triple. Given the PTO's recent low rate of patent allowances without an appeal - in the low double digits - likely the added cost for appeals under the proposed appeal rules will place the cost of obtaining a patent outside the range of most of my clients.

This added cost is not only due to the burdensome, duplicative, and formal requirements of the PTO's proposed new rules on appeals, but also due to the interaction of the proposed appeal rules with the PTO's August 2007 final rules limiting continuation practice. These rules (if upheld on appeal) will result in many more appeals and more aggressive appeal practice, including to the Federal Circuit. For example, PTO's new rules on appeals intend to change the burden of proof. That is, pursuant to 35 U.S.C. §§ 102 and 103, the PTO has the statutory burden of establishing unpatentability, but under the PTO's new appeal rules, unpatentability will be presumed unless the applicant can prove otherwise. Given this profound and legally dubious change in burden of proof, it will take much more time to set up and articulate an appeal, especially within a limited number of pages and large font requirement. Given the likely focus on taking cases to the Federal Circuit, I expect it take much more time to evaluate and set up an appeal under the proposed appeal rules.

2. The PTO has not provided an objectively-supported estimate of the hourly cost of attorney time.

Historically, the PTO has significantly understated the hourly cost of attorney time, and further, it has assumed that tasks normally performed by attorneys are performed by lower-cost paralegals and administrative staff instead. Especially in the instant case, this cannot possibly be correct – again, the PRG provided a day of advanced patent attorney training to explain how to handle the changes imposed under the new rule. That would not have been necessary if the additional tasks were paralegal or administrative, and CLE credit would not have been offered for taking the course. Indeed, the PRG lists the course as “advanced” patent practice and has two volume books to aide patent attorneys in complying with the PTO's proposed new rules on appeals.

In the case of compliance with the rules, another factor is that the examiners have no page limit for issuing rejections in office actions, and their contentions are presumed to be correct under the PTO's new rules on appeals. However, those who appeal have limited pages to rebut the changed presumption, and though one can petition for more pages, there is no guarantee of parity. Consider U.S. Patent No. 6,684,189, which has 887 claims (definitions of the invention). Had these claims been rejected and brought up on appeal, with every claim being argued so as to rebut the presumption that the examiner was correct, there is no possible way that the appeal brief could be completed within the PTO's estimated burden-hours and within the PTO's prescribed page constraints.

And though this patent has an unusual number of claims, I often handle applications with hundreds of claims, and having larger numbers of claims is typical for patent applications

involving complex computer systems interacting with computer programs, and in electrical engineering systems, where many components may add novelty. Presently, I am writing an appeal brief for Ser. No. 09/645,707, which has 250 claims. The idea that an appeal under the PTO's new rules could be done within 30 hours is absolutely preposterous – in over two decades of appeal practice, I have never written a brief in such a short time. Instead, the PTO's appeal rule will add many times that number of hours and tens of thousands of dollars to each appeal. It would also make many applications so expensive as to make appeals cost-prohibitive for many applicants. This, combined with the PTO's final (but currently enjoined) continuation limitation rules, essentially takes applications out of the financial range of many, many applicants.

3. The PTO has not provided an objectively-supported estimate of the number of applications expected to be appealed.

There is considerable controversy about how many appeals should be expected. For purposes of public comment on this ICR, the Continuations and Claims Rules should be assumed to apply even though they are currently enjoined by the District Court in *Tafas v. Dudas* because they are under appeal. The PTO has made it clear that if the District Court ruling is overturned, it will reinstate the Continuations and Claims rules as soon as possible. One is entitled to take the PTO at its word, that issues formerly resolved through continuations must now be resolved through appeal, and that every continuation limited by the Continuations rule will mature into an appeal. Likewise, because the PTO asserted that the non-paperwork regulatory burden (*e.g.*, loss of patent value, scope, or term) is zero, it should be assumed that applicants will pursue every available procedural option required to avoid sacrificing any patent value. The PTO laid the ground-rule assumptions by asserting that the economic impacts were "not significant" and therefore essentially zero; one is permitted to follow those assumptions wherever they lead and to assume that all available paperwork options will be explored in order to avoid any loss of patent value. Taking account of the fact that the PTO's own statements about how applicants *should* respond to the Continuations Rules – *i.e.*, by filing appeals instead -- the PTO assumptions in this ICR about the number of appeals to be expected cannot be correct.

As to my clients, assuming they could afford appeals after the PTO's new rules on appeals are scheduled to go into effect, essentially all final rejections would be appealed. I would estimate that my number of appeals would increase to about 50 per year. I would have to hire additional patent attorneys and staff to handle the added work load.

4. The PTO has not contacted me for assistance or information to help me estimate the burden associated with the *Ex parte* Appeal Rule.

By law and regulation, the PTO is required to consult with those who would bear the burden of complying with information collection requirements. While the PTO does not have to consult with all patent attorneys and agents, the PTO must consult with some of us. Statements from the organizations that logically should have been consulted (*e.g.*, AIPLA, ABA-IP, IPO, NAPP) indicate that they also were not consulted, I have not been consulted, no practitioner or instructor I know has been consulted, and no practitioner attending the PRG course on how to comply with the new rule (Santa Fe, NM, Oct. 25, 2008) stated that they were consulted. Indeed, the comments during the course were those of amazement and profound dismay at the enormity of the burden placed on appellants, the duplication of already-filed materials that are electronically viewable on the PTO's PAIR system, and the lack of practical utility to offset for these new applicant burdens. More so, I did hear expressions of outrage at the PTO's ignoring comments complaining about what is unmistakably a great departure from statutory burdens of

proof, covered over by pointlessly expensive procedure, that effectively makes appeals (and indeed patent applications) all but cost-prohibitive for many applicants,

5. Elements of the *Ex Parte* Appeal Rule require applicants to submit information that the PTO already has in its possession, albeit in another form.

It is against the law for OMB to approve the collection of duplicative information. Thus, most contents of the appendix required by the new provisions in 37 C.F.R. § 41.37(t) are simply illegal because they require resubmitting information previously filed with the PTO. This duplicative filing information is a total waste of time because it is electronically available to the Board on the PTO's PAIR computer system. This duplication is simply a further burden on applicants seeking fair review.

6. The PTO's Notice and Comment period was not conducted fairly.

Historically, those who file comments with the PTO in response to Notices of Proposed Rulemaking find that the PTO fails to fairly respond to the comment (*e.g.*, by mischaracterizing the comment or omitting a salient issue). The Continuations Rulemaking was an excellent example. The comments the PTO received on the proposed rule were overwhelming negative, but the PTO ignored them and issued a final rule limiting continuation practice that utterly stunned the profession and seemed out of the blue.

OMB should be especially wary that this is the PTO pattern. The evidentiary basis for the PTO's new rules on appeals pits the PTO on one side and essentially the entire profession and applicants on the other. Not one public comment has supported the PTO's burden estimates, and many were opposed to the rules altogether. The PTO's new rules on appeals is based mostly on its vision of pie in the sky, not the comments and evidence that are required by OMB.

I urge OMB to send the PTO back to get the required evidence before allowing the PTO's proposed new rules on appeals to enormously damage patent practice in the USA.

Very truly yours,



Peter K. Trzyna

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