Commissioner of Patents and Trademarks
Patent and Trademark Office (P.T.O.)

IN RE APPLICATION OF STEPHEN B. BOGESE
Serial No. 07/626,406
Attorney Docket No. 0059.0740001
October 4, 1991
***1** Filed: December 14, 1990

Saidman Designlaw Group

1201 Connecticut Avenue, Suite 550

Washington, D.C. 20036

Charles E. Van Horn

Patent Policy and Programs Administrator

ON PETITION

This is a decision on the petition under 37 CFR § § 1.182 and 1.183, filed July 25, 1991. The petition requests: (1) that the thirty (30) day response period set in the February 21, 1991, Office action be reset to the normal three (3) month period for response; (2) that the finality of that Office action be withdrawn; and (3) that the requirements of 37 CFR § 1.111 be waived.

The petition is denied.

BACKGROUND

A first patent application was filed on August 26, 1986. A non-final first Office action was mailed March 25, 1987. No response by applicant was filed; consequently this application became abandoned.

A first File-Wrapper-Continuation (FWC) application was filed on September 25, 1987. A non-final first Office action was mailed March 7, 1988. No response by applicant was filed; consequently this application became abandoned.

A second FWC application was filed on September 7, 1988. A non-final first Office action was mailed January 23, 1989. No response by applicant was filed; consequently this application became abandoned.

A third FWC application was filed on July 24, 1989. A final first Office action was mailed October 3, 1989. No response by applicant was filed; consequently this application became abandoned.

A fourth FWC application was filed on April 3, 1990. A final first Office action was mailed June 18, 1990. No response by applicant was filed; consequently this application became abandoned.

This fifth FWC application was filed on December 14, 1990. A final first Office action was mailed February 21, 1991. This Office action set a thirty (30) day shortened statutory period for response.

On June 21, 1991, applicant filed a three month extension of time and a response directed to the finality of the Office action, the thirty (30) day period for response, and paragraph 12 of the Office action.

On June 26, 1991, a timely Notice of Appeal [FN1] was filed.

On July 15, 1991, the examiner adhered to the finality of the Office action, adhered to the propriety of the thirty (30) day period for response and held that the response did not comply with 37 CFR § 1.111 since the response failed to respond to the rejection of the claims (e.g. paragraphs 4, 7, 8 and 10 of the Office action).

I. THIRTY-DAY PERIOD FOR RESPONSE

PRACTICE

Manual of Patent Examining Procedure (MPEP) § 710.02(b) (5th ed., Rev. 13, Nov. 1989) states:

> Under the authority given him by 35 U.S.C. 133 the Commissioner has directed the examiner to set a shortened period for response to every action. The length of the shortened statutory period to be used depends on the type of response required. Some specific cases of shortened statutory period for response to be given are:
>
> ***2** ...

THREE MONTHS

> To respond to any Office action on the merits.
>
> ...
>
> The above periods may be changed under special, rarely occurring circumstances.
>
> A shortened statutory period may not be less than thirty (30) days (35 U.S.C. 133).

APPLICANT'S ARGUMENT

Applicant states that special, rarely-occurring circumstances do not exist here. While applicant has filed several continuation applications with regard to the invention, he has complied with all the rules pertaining to his statutory right to file such applications, including the payment of applicable fees. See 35 U.S.C. § 120. Moreover, contrary to the examiner's assertion, applicant has not attempted to subvert the patent laws by bringing about the extension of the patent monopoly; indeed, there is no monopoly now since no patent has issued. To impose a thirty (30) day response time unfairly limits applicant's ability to properly prosecute his patent application and unfairly punishes him simply for filing a series of continuation applications, all of which comply in all respects with the statutes and rules

governing continuation applications.

DECISION

The setting of a thirty (30) day shortened statutory period for response by the examiner was proper under the special, rarely-occurring circumstance of this application. The special, rarely-occurring circumstance present in this application is the fact that applicant has never responded to the merits of any of the five (5) previous Office actions. This failure to respond on the merits justifies the setting of the shortest response time possible (e.g., thirty (30) days). Furthermore, the setting of such a short response time is not punishment for filing a series of continuations but is due to applicant's failure to ever respond to the merits of any Office action. There is a public interest in efficient examination and quick dissemination of information about the invention to the public.

II. FIRST ACTION FINAL REJECTION

INTRODUCTION

First action final rejection (FAFR) practice provides for making a final rejection on the first action in a continuation application under certain circumstances. Manual of Patent Examining Procedure § 706.07(b) (5th ed., Rev. 13, Nov. 1989).

The legality of FAFR practice was challenged as being contrary to 35 U.S.C. § 132, which requires an examination and a reexamination, in a mandamus action to enter an amendment after a first action final rejection in Molins PLC v. Quigg, 4 U.S.P.Q.2d 1646 (D.D.C.1987). The issue was not decided as the case was dismissed on the grounds of mootness. The Federal Circuit affirmed the district court decision for lack of ripeness without reaching the mootness issue. Molins PLC v. Quigg, 837 F.2d 1064, 5 U.S.P.Q.2d 1526 (Fed.Cir.), cert. denied, 486 U.S. 1055 (1988).

***3** We use this petition decision as an opportunity to set forth the history and reasons for FAFR practice. The following background will be useful in explaining the practice.

HISTORY

Delays in obtaining a patent

The intent of the various patent statutes has always been to grant patent rights for a limited time. U.S. Constitution, Article I, Section 8. The law has not approved delays before filing and during pendency which extend the period of patent rights. Woodbridge v. United States, 263 U.S. 50, 56 (1923):

> Any practice by the inventor and applicant for a patent through which he deliberately and without excuse postpones beyond the date of

the actual invention, the beginning of the term of his monopoly, and thus puts off the free public enjoyment of the useful invention, is an evasion of the statute and defeats its benevolent aim.

A history of the problems arising from delays in obtaining patents and statutory solutions is found in Seegrist, Delay in Claiming, 21 J.Pat.Off.Soc'y 741 (1939); Changes in the Patent Laws, 21 J.Pat.Off.Soc'y 703 (1939); and Byers, The Selden Case, 22 J.Pat.Off.Soc'y 719 (1940).

FAFR practice was originally applied to reduce delay in connection with renewal applications. The practice was later extended to continuations because of the similar nature of the problem.

Continuation applications

The practice of filing continuing applications arose early in Office practice mainly as a procedural device. Section 7 of the Patent Act of 1836, Ch. 357, 5 Stat. 117 (July 4, 1836), provided that an inventor whose application was refused could request reconsideration, with or without amendment, or could withdraw the application and receive a refund of $20 of the $30 initial fee. This section was the origin of the present 35 U.S.C. § 132. Because of early Office rules prohibiting amendments changing the nature of the invention, there began a practice where the applicant, instead of amending the application after a rejection, would withdraw the application and file new papers and a new filing fee. Seegrist, 21 J.Pat.Off.Soc'y 759-60; Deller, Walker on Patents, § 178 (1937) (on the basis for the right to amend).

The concept of a continuation application grew out of this practice and was first recognized in Godfrey v. Eames, 68 U.S. (1 Wall.) 317, 325-26 (1864):

> if a party choose to withdraw his application for a patent, and pay the forfeit, intending at the time of such withdrawal to file a new petition, and he accordingly do so, the two petitions are to be considered as parts of the same transaction, and both as constituting one continuous application, within the meaning of the law. (Emphasis added.)

***4** A history of continuations beginning with Godfrey v. Eames is found in 4 Chisum, Patents § 13.02 (1990). The continuation practice was codified in 35 U.S.C. § 120 in 1952. In re Hogan, 559 F.2d 595, 603, 194 USPQ 527, 535 (CCPA 1977).

We preview FAFR practice by observing that it is based on the Godfrey v. Eames concept of a continuation application and the original as part of "the same transaction" and "as constituting one continuous application."

Renewal applications

FAFR practice first arose in connection with the now-abolished practice of renewal applications. The history of renewal applications is described at 21 J.Pat.Off.Soc'y at 707-710. Briefly, in 1861 the fee

system was changed to a two-part system of application filing fee and final issue fee. In 1865 the renewal application was created to provide for obtaining a patent when the time for payment of the final fee had lapsed.

When an application was allowed, an applicant had six months to pay the final issue fee or the application would be "forfeited." The Commissioner had no authority to accept a late fee or extend the six-month period, but a forfeited application could be "renewed" as a matter of right by filing a renewal application within two years (changed to one year in 1927) from the date of allowance. Renewals were considered continuances of the original application for substantive purposes under the reasoning of Godfrey v. Eames. Detroit Iron & Steel Co. v. Carey, 236 F. 924 (6th Cir.1916), cert. denied, 242 U.S. 649 (1917). Renewals were used for two functions, as described at 21 J.Pat.Off.Soc'y at 710:

> The historical function of renewals was to provide for the obtaining of a patent when the time for payment of the final fee had been permitted to lapse through accident or unavoidable delay....
>
> The second function of renewal applications was perhaps accidental, due to the peculiar manner in which the first purpose was accomplished by the statute. This second use of renewals was to prolong and delay the issuance of a patent by starting the proceedings all over again, aside from the necessary delay in going through the routine of the statute. The statute being worded in terms of a new application for a patent being filed, additional claims and claims to additional subject matter could be presented in the new application, which required a new examination. It is well known that in many instances final fees were deliberately withheld so that a renewal application could be filed for this purpose.

This use for delay was a primary reason for the elimination of renewal applications in 1939 in favor of the method of petition to the Commissioner for delayed payment of the fee.

***5** The same type of delay is still possible with continuation applications since it is permissible to file a continuation application of an allowed application. In re Febrey, 135 F.2d 751, 57 USPQ 407 (CCPA1943); Harder v. Haywood, 150 F.2d 256, 66 USPQ 51 (CCPA1945).

FIRST ACTION FINAL REJECTION PRACTICE

Ex parte Ball

The first statement of FAFR practice is contained in Ex parte Ball, 1924 C.D. 123, 124 (Comm'r Pat.1923):

> A renewal application is a continuance of the original application. Detroit Iron & Steel Co. v. Carey, 236 Fed.Rep. 924. They are now given the same serial number in this Office (304 O.G. 629).
>
> Consequently the prosecution, before and after renewal, including the Office actions, must be considered a continuous proceeding, and a final rejection, if properly based on previous rejections, may be correct, even if it constitutes the first Office action after renewal.

The final rejection in the case was, however, given in the second

action. The concern with intentional delay by the applicant is stated, 1924 C.D. at 125:

> The applicant has waited his full year practically in responding to nearly every Office action, besides allowing the case to become forfeited and using the full statutory two years in renewing. Of the 10 years and more this application has been pending delay on his part amounts to seven years besides the renewal period. Under these circumstances an endeavor on the part of the applicant to find cause whereby final action should be further postponed deserves careful scrutiny.

Rationale

FAFR practice was not considered to conflict with the provisions of Revised Statute § 4903 (1874), which became the present 35 U.S.C. § 132, requiring an examination and a reexamination. The renewal application was treated as part of one continuous transaction with the original under Godfrey v. Eames and was considered by the Office to be a new application in form only. The statutory requirement for an examination was met by the examinations in the original application, and the requirement for a reexamination is met by the examination of the renewal.

In accordance with statutory intent, one objective of Office practice has been to reduce delays in the prosecution of applications. FAFR practice served that objective by forcing an applicant to draft claims in the renewal in view of the prosecution history in the original and make a bona fide effort to define issues for appeal or allowance. FAFR practice denied dilatory applicants the delay advantage inherent in another Office action. In 1923 this delay amounted to a one year response period plus the time required by the Office. The only possible harm was the price of a new filing fee.

***6** The same reasoning extends to continuation applications to which FAFR practice was applied in the 1930s. Continuations are part of a continuous application with the original, and the examinations in the original can be considered the first examination and the examination in the continuation as the reexamination. For this reason, FAFR practice is not considered to violate 35 U.S.C. § 132. FAFR practice serves the function of reducing delay by forcing an applicant to draft claims in the continuation in view of the prosecution history in the original. Under present FAFR practice, an applicant can submit an amendment after final rejection or closing of the prosecution in the original application and, if it is denied entry because it presents new issues or raises an issue of new matter, the continuation cannot be made final on the first action. MPEP § 706.07(b). This practice seeks to refine the issues to the point of allowance or appeal in the original without the delay of a continuation.

Recognition of FAFR practice

The first reference to FAFR practice is found in McCrady, Patent

Office Practice (1928), Sec. 279:

On the theory that a renewal is a continuance of the original application, a final rejection based on an Office action previous to renewal and constituting the first Office action after renewal was indicated as permissible in ex parte Ball, 329 O.G. 4; 1924 C.D. 123, although the final rejection in that case was made in the second action after renewal.

The FAFR practice was mentioned in Newton, Final Rejections and Subsequent Practice, 11 J.Pat.Off.Soc'y 390, 401 (1929):

A renewal application was held in Ex parte Ball, supra, to be a continuation of the original case, and claims presented therein should be drawn in view of the art of record in such original case. In the application on which the decision cited was based, claims were presented on renewal which read on a reference of record in the original papers. A final rejection in the first Office action after renewal was held proper.

The next reference we find is Stringham, Patent Soliciting and Examining (1934), Sec. 172, which was incorporated and added to in Glascock & Stringham, Patent Soliciting and Examining (1934), Sec. 172:

SEC 172. It has been said that a renewed application may be finally rejected on the first action.

Ball, 1924 CD 123; 329 OG 4

Kaisling (2518), 18 CCPA 740; 44 F(2d) 863; 1931 CD 35; 7 USPQ 134; 402 OG 265; 5 Daily 3218

Prouty, 1919 CD 62; 264 OG 533

***7** In the Ball application Commissioner Robertson said that "a final rejection, if properly based on previous rejections, may be correct, even if it constitutes the first action after renewal." In that case, however, the final rejection had been given in the second action.

The dual character of a renewed application as a new application and as a continued prosecution of an old one gives rise to a question of the propriety of a final rejection on the first action when the same rejection has been made in the original application.

A renewal is, in at least some aspects, a new application (Prouty) and 35 USCA 51; RS 4903 gives applicants the right to a reexamination after the first rejection. Therefore the court might mandamus the commissioner to give the second action, or on the contrary, it might agree with the commissioner that a renewal is a new application in form only, and since final rejection upon the old record could do no substantial injury, it would, therefore, refuse to interfere. Until the question of final rejection on the first action after renewal actually arises, it may be regarded as somewhat doubtful, but meanwhile the opinion which the commissioner has expressed would justify an examiner in making a rejection final in a clear case.

The Kaisling decision discussed in section 277 modifies Prouty and seems to strengthen the position of Commissioner Robertson quoted above [section 277, however, comments: "[t]he Kaisling decision has been nearly if not quite repudiated by Doherty v. Dubbs, [68 F.2d 373, 20 USPQ 145 (CCPA 1934)] which appeared while the present book was in press"].

Following this is the first reference to the application of FAFR practice to continuations. Wolcott, Manual of Patent Office Procedure, p. 199 (7th ed. 1936):

Where an application has been prosecuted to a final rejection an

applicant may have recourse to filing a continuation in order to introduce into the case a new set of claims and to establish a right to further examination by the primary examiner. If the new claims, however, are in the opinion of the examiner met in the art of record in the original application, the examiner may make his rejection final on the first action on the continuation.

The same language appears in the 8th edition (1940) and 9th edition (1946). The Manual of Patent Office Procedure was published by the Patent Office Society and was the forerunner of the present PTO Manual of Patent Examining Procedure (MPEP).

The following statement in 1939 is found in Seegrist, 21 J.Pat.Off.Soc'y at 760:

> Use is today seldom made of the device of filing a pure continuation to effect delay. The Office treats the new application as a continued prosecution and does not hesitate to give a final rejection in the first action based on the prosecution of the parent application. It is customary, however, to give at least one action on the merits in the continuation.

***8** The first edition of the MPEP, MPEP § 706.07(b) (November 15, 1949) states:

> 706.07(b) Final Rejection, When Proper on First Action
>
> In certain instances, the claims of a new application may be finally rejected in the first action. This may be done when the claims of the new application are similar to those of an earlier application filed by the same applicant, and if the claims of the earlier application were rejected on the grounds which are also applicable against the claims of the new application. Such procedure is quite consistent with the provisions of Rule 113, since the action on the claims in the new application is, in effect, a "re-examination" or a "reconsideration" of claims which had been treated previously in the earlier application.
>
> For example, if the claims of a continuation application are, in the examiner's opinion, met by the art of record of the parent application, the examiner may make the rejection final in the first action of the continuation. If the rejection is based on res judicata, however, it may not be made final in the first action, since this would constitute a new ground of rejection.

Reference to MPEP § 706.07(b) is found in McCrady, Patent Office Practice Sec. 166 (3d ed. 1950 and 4th ed. 1959).

FAFR practice was modified by 861 Off.Gaz.Pat. Office 1011 (April 22, 1969), which was superceded by 932 Off.Gaz.Pat.Office 760 (March 18, 1975):

> The claims of a new application may be finally rejected in the first Office action in those situations where (1) the new application is a continuing application of, or a substitute for, an earlier application, and (2) all claims of the new application (a) are drawn to the same invention claimed in the earlier application, and (b) would have been properly finally rejected on the grounds or [sic of] art of record in the next Office action if they had been entered in the earlier application.
>
> However, it would not be proper to make final a first Office action in a continuing or substitute application where that application contains material which was presented in the earlier application after

final rejection or closing of prosecution but was denied entry for one of the following reasons:

(1) New issues were raised that required further consideration and/or search, or

(2) The issue of new matter was raised.

Further, it would not be proper to make final a first Office action in a continuation-in-part application where any claim includes subject matter not present in the earlier application.

A request for an interview prior to first action on a continuing or substitute application should ordinarily be granted.

This embodiment of FAFR practice is found in MPEP § 706.07(b).

APPLICANT'S ARGUMENT

Applicant submits that since he did respond on the merits to the first (non- final) [FN2] Office action in the parent case, but instead filed a continuation application, a final rejection on the first action in this application is improper. Before a final rejection is proper, a "clear issue" must be developed between the examiner and the applicant.

***9** Section 706.07 of the MPEP states that:

before final rejection is in order a clear issue should be developed between the examiner and the applicant.... present practice does not sanction hasty and ill-considered final rejections. The applicant who is seeking to define his or her invention and claims that will give him or her the patent protection to which he or she is justly entitled should receive the cooperation of the examiner to that end, and not be prematurely cut-off in the prosecution of his or her case....

The examiner should never lose sight of the fact that in every case the applicant is entitled to a full and fair hearing, and that a clear issue between applicant and examiner should be developed, if possible, before appeal.

MPEP § 706.07 (emphasis added).

Applicant submits further that, here, the examiner rejected the continuation application on the identical grounds as that in the parent application, but this time made the action final, and that, in fact, the examiner's first final Office action in the continuation case was identical to the first non-final [FN3] Office action in the parent case. Applicant submits that due process and fair play require him to be given at least one opportunity to substantively, as a matter of right, respond to the examiner's rejection. Needless to say, if the "final" nature of this action is maintained, applicant has no such right and that without such an opportunity, applicant is prematurely cut-off in the prosecution of this case and has been denied a full and fair hearing for which he has paid a full filing fee.

Applicant urges that the examiner's practice of issuing a first action final rejection is deemed proper, where applicant has never amended the claims or added new claims or filed a substantive response to the examiner's rejections, it would effectively deny applicant the right to file in this application a response on the merits and to have the PTO reexamine this application as guaranteed be 35 U.S.C. § 132.

Applicant urges that if the final rejection stands, the only option open to applicant to prosecute the instant claims is to refile yet another FWC application together with a Preliminary Amendment, but that such a procedure, while certainly possible, denies applicant the right to have his claims examined and reexamined in this application, as set forth in 35 U.S.C. § § 131 and 132. Applicant submits that the underlying rationale for first action final rejections, having to do with unentered amendments as set forth in MPEP § 706.07(b), is totally inapposite in this case.

DECISION

Continuations arose after the establishment of an examination system requiring an examination and a reexamination. Continuations, as created by court decision, were considered as part of a continuous proceeding with the original. FAFR practice, as applied to renewals and then to continuations, relied on the concept of a continuous proceeding to require applicants to consider the prosecution history in the original when filing a renewal or continuation. The practice is in accordance with the statutory objective of reducing delay in prosecution. FAFR practice is traceable as far back as 1923 and has existed on a continuous basis until the present date. FAFR practice was crystallized in Office practice in MPEP § 706.07(b) at the time the present 35 U.S.C. § 120 was enacted in 1952; it must be assumed that legislators were aware of the practice. Section 120 codified the existing law of continuations. Under the circumstances, the practice is entitled to a presumption of correctness.

***10** As to the facts of this case, it is noted that applicant has not been denied the right to respond. In fact, applicant has chosen not to respond on the merits to any Office action during the prosecution of six (6) separate applications drawn to the same invention. While applicant has no right to amend the claims after final Office action (see 37 CFR § 1.116), the examiner has the discretion to enter such an amendment but has never been given the opportunity to exercise that discretion due to applicant's decision not to respond to the substance of any examiner's action.

In view of the above, the finality of the February 21, 1991, Office action will not be withdrawn.

III. WAIVER OF 37 CFR § 1.111

APPLICANT'S ARGUMENT

Rule 111 requires that a response to an examiner's action reply to all grounds of rejection or be considered non-responsive.

To impose this requirement in this case without deciding the two issues being petitioned herewith would be unduly harsh. One of the issues on petition is whether the examiner's first action is properly "final." If it is deemed that it is, then there is no sense in applicant submitting amendments and/or arguments at this stage since

any amendment or argument, being the first submitted in this application, would raise new issues or require further consideration. Thus, once applicant submits such amendments and arguments, the examiner would properly (assuming the final rejection were proper) deny them entry, rendering applicant's effort useless. On the other hand, if applicant can get a determination on this petition that the examiner's first action final rejection is indeed out of order and the action is reissued as a non-final first action, then applicant's submission of an amendment and argument would not be a useless act. To enforce Rule 111 now, however, would exalt form over substance and it should, therefore, be waived while these two important procedural issues are decided.

DECISION

The requested waiver of 37 CFR § 1.111 is denied as moot since a proper response (e.g., a Notice of Appeal) to the final Office action was timely filed. However, applicant should note that the mere filing of a petition will not stay the period for response to an Office action. 37 CFR § 1.181(f). In any event, the propriety of the thirty (30) day response period and the finality of the Office action have been decided above.

SUMMARY

The petition to reset the thirty (30) day period for response to three (3) months is DENIED.

The petition to withdraw the finality of the Office action is DENIED.

The petition to waive 37 CFR § 1.111 is DENIED.

NOTICE

Applicant is advised that if another continuing application is filed, without a substantive response to advance prosecution, that the claims of that application may be rejected under the equitable doctrine of latches.

***11** The doctrine of latches, meaning undue delay in claiming one's rights, may result in loss of those rights. In this case the loss may be the right to a priority date, or the right to a patent.

The case record shows a plurality of continuations with no substantive response of any kind to advance prosecution, which in effect may be using the Patent and Trademark Office and patent laws as a means for officially suppressing any invention disclosed but not yet claimed, thereby obtaining inequitable benefits through the patent system.

Prompt disclosure to the public, with no undue delay, is required for consideration for a patent grant. See Ex parte Hull, 191 USPQ 157 (Bd.App.1975).

Applicant is further advised that continued failure to prosecute (e.g., respond to all the rejections set forth by the examiner) may be considered to be a special circumstance under 35 U.S.C. § 122 that would cause the Commissioner to publish or otherwise make the subject matter of this application available to the public.

FURTHER PROCESSING

The application is being forwarded to Group 210 to await the filing of applicant's appeal brief.

FN1. The Notice of Appeal contains a 37 CFR § 1.8 Certificate of Mailing dated June 24, 1991 (a Monday) making the notice timely.

FN2. The first Office action in the parent application was a final rejection. See background section.

FN3. Id.

22 U.S.P.Q.2d 1821

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