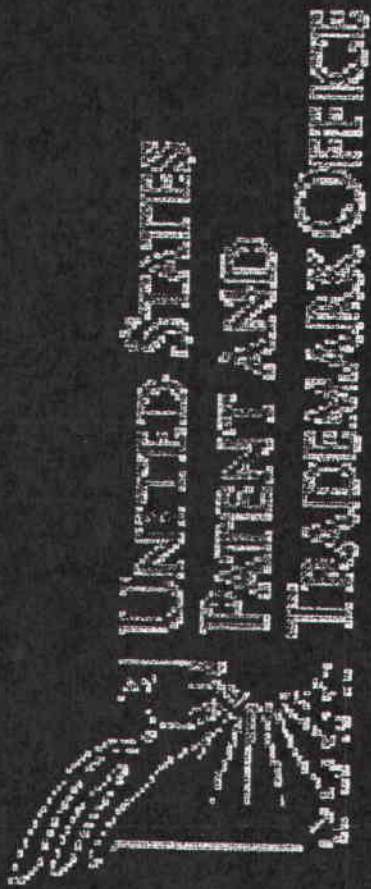


EXHIBIT 7



Proposed Reform of Continuation Practice and the use of Representative Claims

Two Rules Packages Published

January 3, 2006

- Continuation practice (71 Fed Reg 48)
- Representative claims (71 Fed Reg 61)
- Town Hall meetings around the country
 - D.C. meeting (USPTO campus) April 2006
- Comments due by May 3, 2006

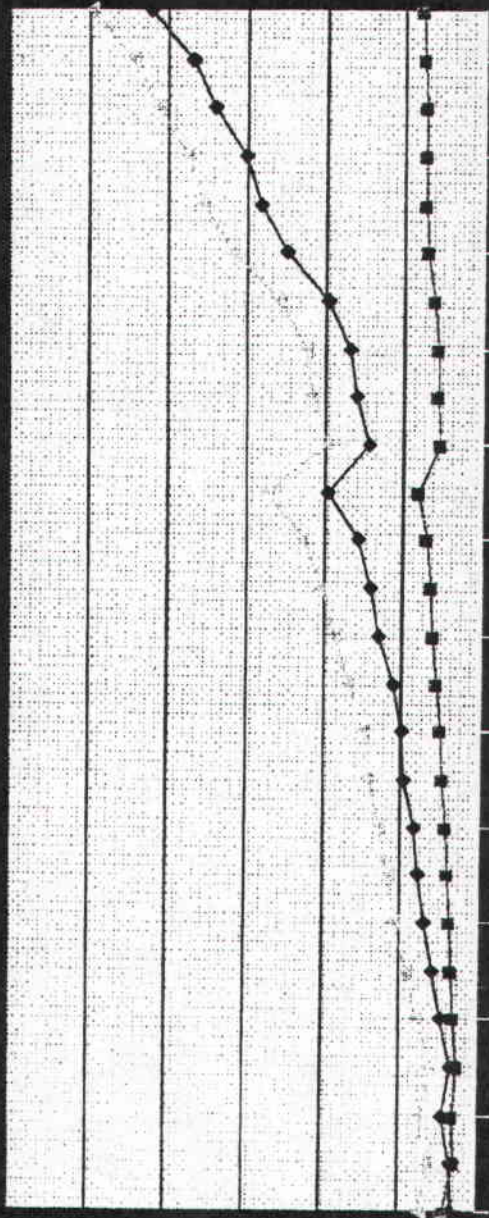
Rules Won't Significantly Impact a Large Majority of Applications

- Goal is to
 - Prevent outliers from affecting best practitioners
 - Produce more “focused” examination
- Will also help reduce backlog

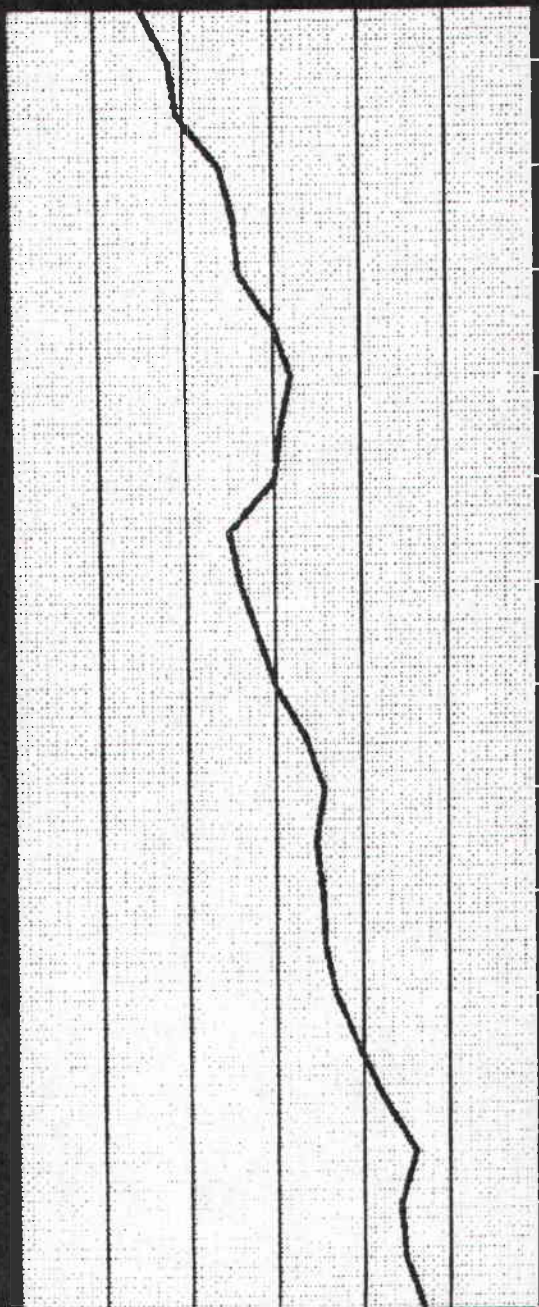
Let's Look at Some Numbers

- 317,000 applications filed in fiscal 2005
 - 44,500 were continuations/CIPs
 - 11,800 were 2nd or higher in a cont chain
- 52,000 Requests for Continued Examination
 - 10,000 were 2nd or higher RCEs in a series
- Thus 6-7% of applications (21,800/317,000) have already been through two or more complete examinations

Continuation Filing Rates



Continuation Filing Percentage



Continuation Filing Percentage

FY 05 Patent Pendancy

Technology Center	Average 1 st Action Pendancy (months)	Average Total Pendancy (months)
1600 - Biotechnology and Organic Chemistry	23.0	32.3
1700 - Chemical and Materials Engineering		29.7
2100 - Computer Architecture Software and Information Security		43.5
2600 -- Communications	30.5	42.3
2800 - Semiconductor, Electrical, Optical Systems	14.5	24.9
3600 - Transportation, Construction, Electronic Commerce	18.4	
3700 - Mechanical Engineering, Manufacturing and Products	18.3	26.3
UPR Total (as of 10/1/2005)	21.1	29.1

¹ "Average 1st action pendancy" is the average age from filing to first action for a newly filed application, completed during July-September FY 2005.

² "Average total pendancy" is the average age from filing to issue or abandonment of a newly filed application, completed during July-September FY 2005.

* Assuming current input and output estimates, the agency should achieve first action pendancy of 21.3 months by the end of FY 2005 and total pendancy of 30.2 months.

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Technology Centers Rework*

Statistics

TC	FY 2002		FY 2003		FY 2004		FY 2005	
	% FAOM	Rework	% FAOM	Rework	% FAOM	Rework	% FAOM	Rework
Summary								
1600	36.4%		39.7%		40.3%		42.4%	
1700	25.2%		26.9%		27.1%		28.0%	
2100	23.9%		24.0%		24.6%		28.2%	
2600	24.8%		24.1%		24.3%		25.4%	
2800	19.1%		22.0%		24.9%		24.1%	
3600	17.7%		21.2%		23.1%		28.5%	
3700	22.2%		25.1%		24.0%		28.1%	
UPR	23.2%		25.3%		26.1%		28.3%	

* Rework first actions are those actions that are in a Continuing (CONs and CIPs), RCE, CPA or 129(a) applications (excludes Divisionals).

1. Set reasonable limits on continuation practice

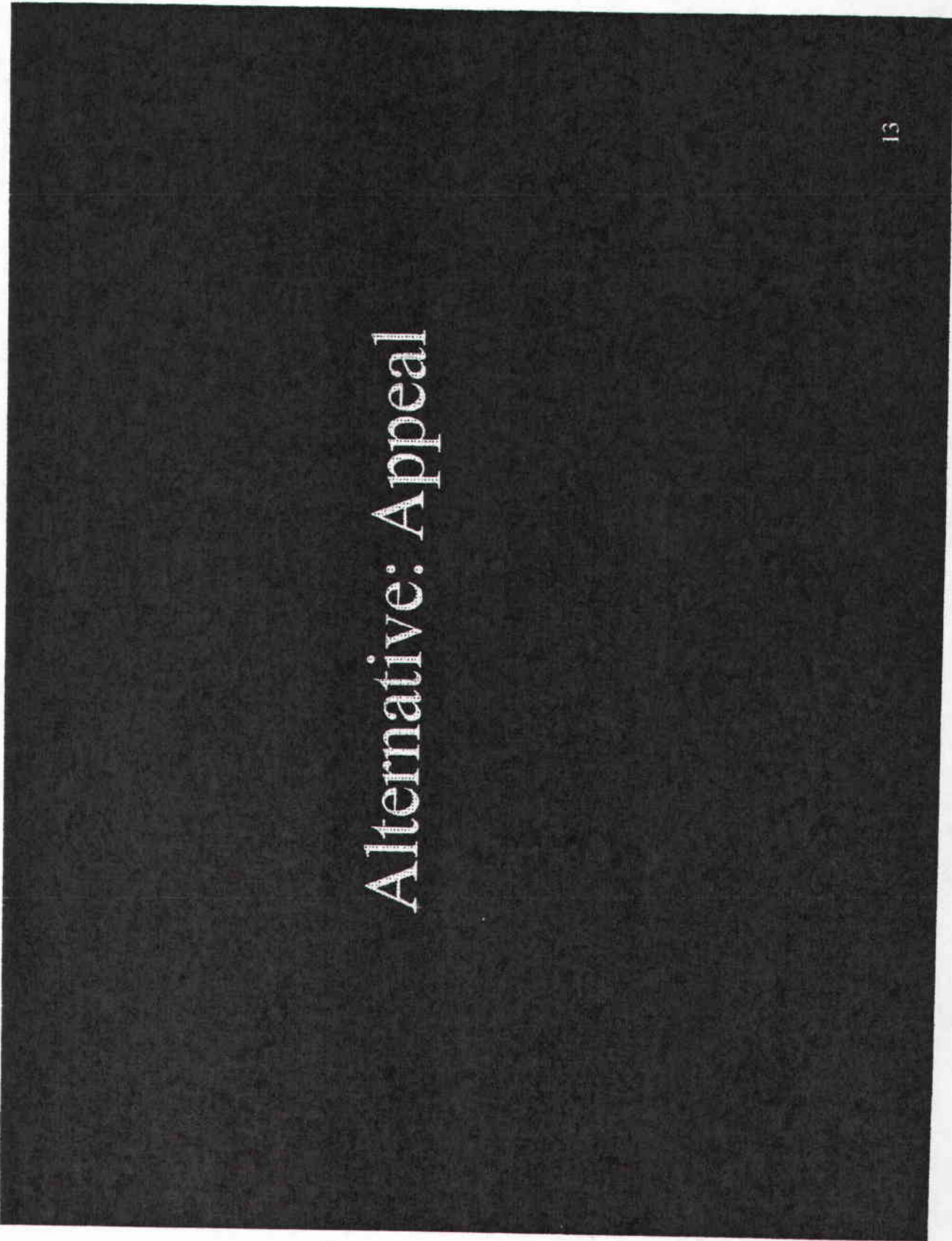
- One continuation or RCE as of right
- For 2nd and subsequent continuations
 - Petition and show why it is needed “to obtain consideration of an amendment, argument, or evidence that could not have been submitted” earlier in series
- No first action finals (4 bites at the apple)
- Office-ordered divisionals (i.e. restricted cases) treated as separate applications

1. Limits on continuation practice --cont'd

- No voluntary divisionals
 - Presumption of double patenting when two applications
 - Filed same day
 - Same assignee
 - Common inventors
 - Substantial overlap in disclosure
 - Rebut presumption by showing that claims are patentably distinct

Effective Date

- Effective Date of Final Rule
 - Continuation limits apply to any application filed on or after the effective date of the final rule (not yet determined)
 - Thus a continuation application or RCE filed after the effective date would have to comply with these rules



Alternative: Appeal