From: Timothy Smith
Sent: Thursday, August 19, 2010 4:06 PM
To: '3trackscomments@uspto.gov'
Subject: Public Comments on USPTO's Enhanced Examination Timing Control Initiative

Dear Sirs,

Please see the attached comments from Seiko Epson Corporation on the USPTO's Enhanced Examination Timing Control Initiative.

Yours truly,

Timothy Smith
Intellectual Property Division
Seiko Epson Corporation

EPSON
EXCEED YOUR VISION

August 19, 2010

Intellectual Property Division
EPSON INNOVATION CENTER – Hirooka Office
80 Harashinden, Hirooka, Shiojiri-shi, Nagano 399-0785 JAPAN

The Honorable David J. Kappos
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

RE: USPTO'S Enhanced Examination Timing Control Initiative

Dear Under Secretary Kappos:

By way of this letter, Seiko Epson Corporation ("Epson" hereinafter) offers its opinions in response to the USPTO's request for comments in the Federal Register /Vol. 75, No. 107 /June 4, 2010. Epson's opinions are set forth in the attached document. Epson appreciates the opportunity to provide comments, and hopes that they will be useful to the Office in revising the proposed Initiative.

Epson is an international corporation headquartered in Japan, involved in the development, manufacturing, sales, marketing, and servicing of information-related equipment (computers and peripherals, including personal computers, printers, scanners and projectors), electronic devices (semiconductors, displays, and quartz devices), precision products (watches, plastic corrective lenses, and factory automation equipment), and other products.

Epson also has various subsidiaries and related companies in the United States, including U.S Epson, Inc. (regional headquarters), Epson Research and Development, Inc. (R&D), Epson Portland Inc. and Epson El Paso, Inc. (manufacturing), and Epson America, Inc., Epson Accessories, Inc., and Epson Electronics America, Inc. (sales and servicing), and through these development, manufacturing, sales and servicing enterprises Epson is making its own contribution to the United States economy.

Also, as a frequent user of the USPTO and as a company that has obtained grant of 5,800 U.S. patents in the past five years, Epson has a keen interest in the USPTO'S Enhanced Examination Timing Control Initiative.

Respectfully submitted,

Masataka Kamiyanagi
Managing Executive Officer
Intellectual Property Division
SEIKO EPSON CORPORATION

Public Comments on USPTO's Enhanced Examination Timing Control Initiative

Seiko Epson Corporation
Intellectual Property Division

I. A. As Epson understands the initiative, the ability of applicants to select either Track I (prioritized examination) or Track III (delayed examination) upon request would allow applicants to accelerate or delay prosecution in accordance with the importance of inventions. In that sense, the initiative creates a desirable system that Epson would welcome in principle. However, Track I and Track III as proposed raises serious concerns that need to be remedied.

1） Under the present USPTO proposal, an application that is not based on a prior foreign-filed application can be placed on Track I or Track III at the request of the applicant. On the other hand, an application filed in the USPTO that is based on a prior foreign-filed application is only eligible for the prioritized examination of Track 1 after the applicant submits a copy of a search report, if any, and first office action from the foreign office, and an appropriate reply to the foreign office action as if the foreign office action was made in the application filed in the USPTO. After meeting these additional conditions, the applicant must then request prioritized examination. As for Track III, this option is not available at all for an application based on a prior foreign-filed application. Thus, the USPTO's initiative clearly sets out different treatment for foreign applicants (who file applications in the USPTO based on prior foreign-filed applications) and for applicants who file first in the United States.

As such, the USPTO initiative makes it much more difficult for the typical foreign applicant to exercise control over the timing of examination of its applications than an applicant who files first in the United States. Foreign applicants would also like the option of accelerating or delaying examination on an application-by-application basis under the same conditions as U.S. applicants, but the different standard of the USPTO proposal makes the initiative largely illusory for the foreign applicant, and in doing so, undercuts the very purpose of the initiative. Moreover, the different treatment afforded based on where an application is first filed may well be in conflict with Article 2 of the Paris Convention Treaty and Article 3 of the TRIPS Agreement.

2) A Track III application will presumably be placed in Track II after the

maximum 30-month delay for start of examination. If so, then a considerable time will elapse before any patent is granted. Interested parties whose businesses would be influenced by a potential patent must wait for a considerable period before knowing the results of the examination, which would interfere with their ability to compete freely in the market place.

B. Epson suggests the following modifications to the USPTO's proposal.

1) In the interest of fairness and to avoid potential conflicts with the Paris Convention Treaty and Article 3 of the TRIPS Agreement, Track I and Track III should be made equally available to all applicants under the same conditions, regardless of whether the application was first filed in the United States or was based on a prior foreign-filed application.

2) Third parties should be able to request, upon payment of a fee, examination of a Track-III application even before the 30-month delay period has elapsed. Once the request and fee are received, then the USPTO should process the Track-III application under current procedure (Track II). Such a system of allowing third parties to request examination is available in Japan, and is also in line with the USPTO's ex parte reexamination practice. By introducing a system that enables third parties to request examination of Track-III applications, interested parties could accelerate examination of an application of interest, and avoid an extensive delay in finding out the results of examination.

II. A. For the following reasons, Epson is emphatically against the USPTO's proposal to require, for applications based on a prior foreign-filed application, a copy of the first office action issued in the foreign application and an appropriate reply as a requirement for starting examination of a U.S. application.

1) If cuing of a U.S. application for examination does not start until the USPTO receives a copy of the foreign first office action and an appropriate reply, then applicants that file in U.S. applications based on foreign priority will face delays in examination of the U.S. application. This is particularly the case when the country of first filing has an examination request system. If the applicant requests examination for the foreign application near to the final time limit in which examination can be requested, examination of the corresponding U.S. application will be delayed even further. Taking

this situation into consideration, the USPTO's proposal is extremely inconvenient for foreign applicants and again is quite likely in conflict with Article 2 of the Paris Convention Treaty and Article 3 of the TRIPS Agreement.

2） Under the USPTO's proposal, an applicant will be unable to delay prosecution of a prior foreign-filed application while accelerating examination of a counterpart U.S. application. On the other hand, the USPTO's proposal provides applicants of applications not based on a prior-filed foreign application with three choices of examination speed (Track I to Track III). In doing so, the proposal discriminates against foreign applicants by taking away this freedom of prosecution strategy and is quite likely in conflict with Article 2 of the Paris Convention Treaty and Article 3 of the TRIPS Agreement.

3） Under the USPTO's proposal, only applicants of U.S. applications that are based on a prior foreign-filed application are obligated to submit information on examination of a foreign application as well as the appropriate reply, which are both potential sources of a narrow interpretation of the resultant U.S. patent rights. Because mainly foreign applicants would face this uncertainty as to how patent rights of U.S. patents will be interpreted, these requirements are quite likely in conflict with Article 2 of the Paris Convention Treaty and Article 3 of the TRIPS Agreement.

4） The duty to file the foreign first office action and appropriate reply will be an extraordinary burden for foreign applicants, who will, to avoid this burden, certainly file a far greater number of provisional applications, or non-provisional applications without claiming foreign priority. Although the USPTO's proposal is intended to improve efficiency by using or reusing search and examination work done by other offices, the actual result would be an increase in U.S. applications that are not based on a prior foreign-filed application, without any decrease in the burden of examination at the USPTO.

5） Although patent offices in some countries will start a patent examination upon submission of examination results from a key-patent country, these countries usually have a smaller market, fewer patent applications to process, and a less fully-developed examination system than a key-patent country. As a result, applicants for patents in these countries benefit from a more stable examination process that takes the examination results of a key-patent country into consideration. In contrast with these

countries, the United States has a well-developed examination system, and moreover an enormous market. The USPTO examines an extremely large number of applications that are based on prior foreign-filed applications, and if the start of examination of these applications were delayed compared to U.S.-first applications, then the time required to obtain a U.S. patent would be delayed for many applicants. In a country having such an vast market as the United States, this would result in allowing rampant patent-infringing products to go unrestricted. The USPTO's proposal would lead to a large set back in the United States' policy of protecting intellectual property.

6） If a key-patent country such as the United States introduces the USPTO's proposal, then it can be expected that other countries will follow suit and introduce similar systems. In such a case, applicants that file first in the Unites States and then file in another country based on the foreign priority of the U.S. application would need to file the first office action of the U.S. application and an appropriate reply (presumably translated into the language of the foreign office) with the other country's patent office before examination would start in the foreign application. If other countries introduce similar systems, not only U.S. applicants, but applicants in many countries around the world would be burdened with the need to file foreign first office actions and appropriate replies thereto with the patent offices of other countries. Needless to say, if that occurred, examination results would be delayed in many countries for many applicants.

B. For the above reasons, Epson is vigorously against the requirement of submitting a copy of the foreign first office action and an appropriate reply. Epson suggests the following proposals instead of the USPTO's proposal.

1) For applicants of applications filed in the USPTO based on prior foreign-filed applications, make the filing of the foreign first office action and an appropriate reply voluntary.

2) Introduce an incentive that will induce applicants to voluntarily file the foreign first office action and appropriate reply. For example, when these documents are submitted, then fees for requesting Track I or examination of an application based on the prior foreign-filed applications could be greatly reduced.