

From: Junichi Yamazaki  
Sent: Friday, August 20, 2010 12:00 AM  
To: 3-tracks comments

Subject: LESJ Ommments on USPTO multi-track proposal

Dear Mr. Robert A. Clarke:

As attached, we, the Licensing Executives Society Japan, submit our comments on USPTO multi-track proposal.

Best Regards,

Junichi Yamazaki  
President  
The Licensing Executives Society Japan

# THE LICENSING EXECUTIVES SOCIETY JAPAN

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August 20, 2010

Hon. David J. Kappos  
Under Secretary of Commerce for Intellectual Property and  
Director of the United States Patent and Trademark Office  
United States Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450  
U.S.A.  
Attention: Mr. Robert A. Clarke [3trackscomments@uspto.gov](mailto:3trackscomments@uspto.gov)

**Re: LESJ's Comments on Proposed "Enhanced Examination Timing  
Control Initiative", Federal Register, Vol.75, No.107 (June 4,  
2010) [Docket No. PTO-P-2010-0035]**

Dear Under Secretary Kappos:

The Licensing Executives Society Japan ("LESJ"), being broadly organized by in-house IP practitioners, private practicing attorneys at law and patent attorneys, academic and other IP professionals in Japan, appreciates the opportunity to present its views on the proposed "Enhanced Examination Timing Control Initiative (EETC Initiative)", published in the Federal Register on June 4, 2010.

**Concerning a discriminatory treatment against priority claiming applications based on prior-filed foreign applications**

## **(1) General Remarks**

LESJ strongly opposes the present proposal published in the Federal Register in which the applications filed in the USPTO that claim foreign priority benefit based on prior foreign-filed application(s) are not examined until the USPTO receives a copy of the 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.

The present proposal will inevitably incur discriminatory and intolerable delay in obtaining patent in the U.S. and considerable increase of prosecution costs particularly for foreign applicants including Japanese applicants who normally file applications secondly in the U.S., compared to U.S. domestic applicants.

While we understand that dissolving examination backlog within the USPTO is an important issue in order to keep a global patent system sustainable, we believe that what is important for users of the global patent system is that patents can be obtained abroad at reasonable costs and within a reasonable period of time.

LESJ, therefore, considers that a worksharing among intellectual property offices for dissolving examination backlog should not cause a delay in obtaining patents or an increase of prosecution costs for any foreign applicants.

**(2) An adverse effect for foreign applicants #1: Delay in obtaining patents**

For foreign applicants, in most cases except for extraordinary case (e.g. an invention is made in the U.S. or its territory), an application is first filed in the office of their own country, therefore filing application in the U.S. is the second filing subsequent to the first filing.

In Japan, a patent application is placed in the queue for examination upon applicant's (or a third party's) request for examination within three years after filing. According to recent statistics, average pendency time is approximately 28 months until the application is examined (i.e., the first office action on the merit is issued) after request for examination for the application is submitted, and the time limit designated by the JPO for responding to the first office action is 60 days (two months) for Japanese domestic applicants.

Accordingly, even if an applicant submits a request for examination upon filing without taking the advantage of the three year applicant-controlled period for the request for examination, it will still take over thirty months (two and a half years) until a secondly-filed application is placed in the queue for examination by the USPTO, after the applicant receives the first office action from the JPO, then translates the first office action and response to the office action both written in Japanese into English, and submits the English translation thereof to the USPTO. Further, taken a pendency time for examination in the USPTO into consideration, in fact, it is anticipated to take over five years until the USPTO issues the first office action, which incurs considerable delay in obtaining patents in the U.S. with irreparable detriment to the foreign applicants.

The present proposal allows foreign applicants to request prioritized examination (Track I) only after the foreign applicant submits a copy of first office action on the merit and an appropriate reply to the office action. However, in view of additional pendency time in the USPTO, it would be still too late that the foreign applicant is only able to request prioritized examination after two and a half years from a priority date at the earliest.

LESJ considers that the present proposal would substantially violate the principle of national treatment (the Paris Convention Art.2(1), the TRIPS Agreement Art.3(1)) that prohibits adverse treatment for non-nationals in comparison with nationals. This is because the present proposal will not only deprive foreign applicants of flexibility or

options in choosing prioritized examination (Track I), normal examination (Track II) and deferred examination (Track III) but also pose considerable delay in obtaining patents in the U.S., while in contract, it gives domestic applicants flexibility or options in choosing three tracks from the beginning.

We do not deny that, technically, a foreign applicant could file an application first in the U.S. without claiming priority based on a prior-filed application in his/her home country, and in that case no apparent conflict with the principle of national treatment would be raised. Nevertheless, given the fact that most applications are filed first in applicant's home country as seen from an observation shown by the USPTO itself in the Federal Register, the present proposal goes against at least purpose or spirit of the principle of national treatment which prohibits discriminatory treatment for non-nationals in order to facilitate obtaining patents globally.

Likewise, the present proposal would violate the TRIPS Agreement Art. 27(1) that prohibits discrimination against inventions made in foreign countries, and in addition, would violate the principle of most-favored-nation treatment under the TRIPS Agreement Art.4 that prohibits discriminatory treatment for an applicant who has to endure long pendency for obtaining patents through an examination on the merit in comparison with other foreign applicants who are able to obtain patents much earlier without an examination on the merit.

LESJ therefore opposes the present proposal that will inevitably incur discriminatory and intolerable delay in obtaining patent in the U.S. for foreign applicants.

LESJ proposes that any applications filed in the U.S. which claim priority based on prior foreign-filed applications be placed in the queue for examination and be able to choose appropriate track among prioritized examination (Track I), normal examination (Track II) and deferred examination (Track III) from the beginning in the same manner as those applications first filed in the U.S. without claiming priority being treated.

### **(3) An adverse effect for foreign applicants #2: Increase of prosecution costs**

Those foreign applicants who first file applications in the foreign patent office of whose official language is non-English are imposed burden to fully translate into English the first office action on the merit from the foreign patent office and an appropriate reply to the office action prior to submitting them to the USPTO, which obviously results in considerable amount of additional prosecution costs.

It should be pointed out that, currently, Japanese applicants already have a duty to translate the office action on the merit issued by the JPO to submit thereof to the USPTO via the Information Disclosure Statement (IDS), provided that a corresponding U.S. application is pending when the office action is issued to a corresponding JP application. However, according to the present proposal, since a corresponding U.S. application is never examined until the office action on the merit issued by the JPO is translated and then submitted to the USPTO, Japanese applicants are imposed burden to

translate into English in all cases the office action on the merit to submit thereof to the USPTO, and in addition to newly translate an appropriate reply to the office action on the merit issued by the JPO (i.e., amendments and arguments to the JPO), which will result in considerable increase of prosecution costs for foreign applicants with respect to providing required information to the USPTO.

Further, according to the present proposal, arguments regarding why the claims in the application filed in the USPTO are allowable have to be submitted along with amendments to the claims in the U.S. application, in case that the amendments are to be submitted to the USPTO in relation to the office action on the merit issued by the foreign patent office and its appropriate reply. However, in view of the doctrine of estoppel, such arguments regarding why the claims are allowable raise a great risk imposing prosecution history estoppel only on foreign applicants that might narrow interpretation of later granted U.S. patents.

LESJ considers that the present proposal would substantially violate the principle of national treatment (the Paris Convention Art.2(1), the TRIPS Agreement Art.3(1)) that prohibits adverse treatment for non-nationals in comparison with nationals, as stated above (2). This is because those applications first-filed in the U.S. without claiming priority based on a prior foreign-filed application are free from above- stated additional prosecution costs for translation and a problem of an admission on patentability by applicants.

Likewise, the present proposal is considered to violate the TRIPS Agreement Art. 27(1) that prohibits discrimination against inventions made in foreign countries, and in addition, to violate the principle of most-favored-nation treatment under the TRIPS Agreement Art.4, as stated above (2).

LESJ therefore opposes the present proposal that will incur discriminatory effect and considerable increase of prosecution costs in obtaining a U.S. patent for a foreign first-filed applicant.

LESJ requests that those applications secondly filed in the U.S. that claim priority based on prior foreign-filed application be not imposed additional obligation regarding information disclosure to the USPTO beyond a current scope of information disclosure obligation via the IDS.

#### **(4) An adverse effect for foreign applicants #3: Shortened positive Patent Term Adjustment (PTA)**

According to the present proposal, for those applications filed in the U.S. that claim foreign priority based on prior foreign-filed applications, the USPTO offsets positive Patent Term Adjustment (PTA) accrued in the application when an applicant submits required documents (i.e., the first office action and an appropriate reply to the office action both translated into English) after the aggregate average period to issue the first office action on the merit.

First, it should be noted that "the aggregate average period" is too indefinite to apply in calculating patent term which is crucial both for a patentee and third parties. Second, even if the USPTO receives above required documents (i.e., the first office action and an appropriate reply to the office action) after the aggregate average period to issue the first office action on the merit, the delay in receiving required documents might mainly be due to a delay in examination on the merit in the foreign patent office, and therefore should not be attributable to an applicant. Accordingly, it is groundless and unreasonable that foreign first-filed applicants including Japanese applicants are imposed considerable drawback of an offset to positive Patent Term Adjustment (PTA) accrued in the application.

LESJ considers that the present proposal would substantially violate the principle of national treatment (the Paris Convention Art.2(1), the TRIPS Agreement Art.3(1)) that prohibits adverse treatment for non-nationals in comparison with nationals, as stated above (2). This is because those applications first-filed in the U.S. without claiming priority based on a prior foreign-filed application are free from above-stated offset to positive Patent Term Adjustment (PTA) due to a delay in examination on the merit in the foreign patent office where the foreign application is first filed.

Likewise, the present proposal is considered to violate the TRIPS Agreement Art. 27(1) that prohibits discrimination against inventions made in foreign countries, and in addition, to violate the principle of most-favored-nation treatment under the TRIPS Agreement Art.4, as stated above (2).

Further, the present proposal is considered to violate the Paris Convention Art.4 bis (5) that assures same patent terms between a priority claiming application and an application that is not claiming priority based on a prior foreign-filed application.

LESJ therefore opposes the present proposal that incurs discriminatory shortened positive Patent Term Adjustment (PTA) for foreign first-filed applicants.

LESJ requests that those applications filed in the U.S. that claim priority based on prior foreign-filed applications be not offset to positive Patent Term Adjustment (PTA) when an applicant submits required documents (i.e., the first office action and an appropriate reply to the office action both translated into English) after the aggregate average period to issue the first office action on the merit.

#### **(5) Unexpected increase of applications filed first in the U.S. by foreign applicants**

Unless, if the EETC Initiative is implemented, a foreign applicant files an application first in the U.S., the foreign applicant will not be able to avoid above-stated discriminatory treatment with respect to those applications secondly filed in the U.S. that claim priority based on prior foreign-filed applications.

As a result thereof, it would be well anticipated that the number of applications filed first at the USPTO by foreign applicants will considerably increase in order to avoid

above-stated discriminatory treatment with respect to those applications secondly filed in the U.S. that claim priority based on prior foreign-filed applications.

Such increase of applications filed first in the U.S. by foreign applicants will, to an unnegligible degree, defeat the original purpose of the present proposal aiming to reduce examination backlog within the USPTO by putting off examinations on the merit of applications filed by foreign applicants. Further, much more importantly, it will cause contradictory and undesirable outcome in view of international harmonization of global patent system, and international cooperation and amicability among countries.

#### **(6) Concerning the PCT-PPH**

The present proposal does not appear to give any distinction between applications filed at the USPTO via Paris Convention route and applications entered into national phase in the U.S. via PCT route with respect to the treatment that a secondly filed application in the U.S. is not examined (is not placed in the queue for examination) until the USPTO receives examination result by the foreign patent office where an application is filed first. It would be uncertain how an application entered into national phase in the U.S. via PCT route is specifically treated.

The present proposal literally reads that those applications entered into national phase in the U.S. via PCT route are not examined until not only an International Search Report (ISR) during an international phase but also the first office action on the merit by the JPO after entering national phase in Japan are issued, thereby conflicting with current PCT-PPH framework and further setting back currently available worksharing.

The PCT-PPH currently allows a PCT application entered into national phase in the U.S. being requested for the Patent Prosecution Highway (PPH) upon receipt of affirmative opinions on patentability in an opinion provided along with an International Search Report (ISR) or International Preliminary Examination Report (IPER) where the JPO acts as an International Search Authority (ISA) or International Preliminary Examination Authority (IPEA). The PCT-PPH therefore largely enhances availability of the Patent Prosecution Highway (PPH) for Japanese applicants using PCT route, and thus more and more participants in the PPH are highly expected.

It should be noted that from USPTO's perspective, no substantial difference could be found between opinions on patentability in an international phase and an office action on the merit both issued by the same foreign patent office, e.g., the JPO.

LESJ requests that the current PCT-PPH framework be maintained and enhanced, and that a PCT application entered into national phase in the U.S. be allowed to request for the Patent Prosecution Highway (PPH) upon receipt of affirmative opinions on patentability in an opinion provided along with an International Search Report (ISR) or International Preliminary Examination Report (IPER) where the JPO acts as an International Search Authority (ISA) or an International Preliminary Examination

Authority (IPEA), as currently available.

Very truly yours,

A handwritten signature in black ink, appearing to be 'Junichi Yamazaki', with a horizontal line extending to the right.

Junichi Yamazaki  
President, LESJ