

From: Montgomery, Marc  
Sent: Wednesday, August 18, 2010 11:35 AM  
To: 3-tracks comments  
Cc: Smith, Russell  
Subject: JAMA Comments on the Enhanced Examination Timing Control Initiative

Dear Sirs,

Please find attached the Japan Automobile Manufacturers Association's (JAMA) comments on the "Enhanced Examination Timing Control Initiative." Please do not hesitate to contact me with any questions.

Regards,

Marc Montgomery on behalf of JAMA  
Willkie Farr & Gallagher  
787 7th Avenue  
New York, New York 10019  
(212) 728-8546 phone  
(212) 728-9546 fax

mmontgomery@willkie.com

<<JAMA.pdf>>

\*\*\*\*\*

**IMPORTANT NOTICE:** This email message is intended to be received only by persons entitled to receive the confidential information it may contain. Email messages to clients of Willkie Farr & Gallagher LLP presumptively contain information that is confidential and legally privileged; email messages to non-clients are normally confidential and may also be legally privileged. Please do not read, copy, forward or store this message unless you are an intended recipient of it. If you have received this message in error, please forward it back. Willkie Farr & Gallagher LLP is a limited liability partnership organized in the United States under the laws of the State of Delaware, which laws limit the personal liability of partners.

\*\*\*\*\*



# JAPAN AUTOMOBILE MANUFACTURERS ASSOCIATION, INC.

WASHINGTON OFFICE

TEL. (202) 296-8537 • 1050 17TH STREET, NW, WASHINGTON, DC 20036 • FAX. (202) 872-1212

WILLIAM C. DUNCAN, Ph.D.  
GENERAL DIRECTOR

August 18, 2010

By Electronic Mail—3trackscomments@uspto.gov

Attn : Mr. Robert A. Clarke  
U.S. Patent and Trademark Office  
Washington, DC 20231

Re.: JAMA Comments on the Proposed New Patent Examination Initiative "Enhanced Examination Timing Control Initiative" 75 *Fed. Reg.* 31763 (June 4, 2001).

Dear Sir:

The Japan Automobile Manufacturers' Association, Inc. (JAMA) appreciates the opportunity to present its views on the proposed new patent examination initiative entitled "Enhanced Examination Timing Control Initiative," published in the Federal Register on June 4, 2001 (the Initiative).

JAMA is a Tokyo-based, nonprofit industry association that represents Japan's 14 manufacturers of passenger cars, trucks, buses and motorcycles. JAMA's member companies are Daihatsu Motor Co., Ltd.; Fuji Heavy Industries Ltd.; Hino Motors, Ltd.; Honda Motor Co., Ltd.; Isuzu Motors Limited; Kawasaki Heavy Industries, Ltd.; Mazda Motor Corporation; Mitsubishi Motors Corporation; Mitsubishi Fuso Truck & Bus Corporation; Nissan Motor Co., Ltd.; UD Trucks Corporation; Suzuki Motor Corporation; Toyota Motor Corporation; and Yamaha Motor Co., Ltd. Virtually all of our members invest as well as produce and sell automotive products in the United States and are inextricably linked to the U.S. economy. They also file numerous patent applications in the U.S. Patent and Trademark Office (USPTO) based on applications first filed in Japan and elsewhere. Indeed, the USPTO issued close to 2,000 patents to JAMA members last year.

JAMA recognizes that the proposed Initiative is intended to "provide applicants with greater control over when their applications are examined and to enhance work sharing between intellectual property offices." JAMA agrees that providing applicants with multiple prosecution tracks and encouraging work sharing between national patent offices will contribute to more efficient and reliable examination. JAMA thus supports the proposed initiative in general. In particular, JAMA believes that the USPTO should proceed with efforts to enhance applicant control over the timing of examination, and that a three-track system offers a promising approach. In addition, JAMA agrees that the USPTO should offer supplemental searches by foreign patent offices as an optional service.

JAMA has concerns, however, that certain aspects of the Initiative as currently drafted are unfair to foreign applicants. Specifically, in response to Question No. 13 (*75 Fed. Reg. 31767*), JAMA believes that, for reasons discussed below, the USPTO should not "suspend prosecution of non-continuing, non-USPTO first-filed applications to await submission of the search report and first action on the merits by the foreign office and reply in USPTO format." In addition, JAMA believes the proposed requirement of early publication for prioritized examination (Track I) would not serve the overall goals of the Initiative.

Initially, JAMA believes that the proposed rules could result in an unfair and unwarranted delay in the prosecution of foreign first-filed applications. Under the proposed system, the USPTO will not begin examination of such an application until the applicant submits a copy of the search report, if any, the first office action from the foreign patent office, and a USPTO-appropriate reply to the foreign office action. A non-U.S. applicant is thus placed at a disadvantage compared to a U.S. applicant who can request prioritized examination upon filing. Depending on the practices of the foreign patent office, there is a possibility that examination of

a foreign first-filed application will be significantly delayed. Even if non-U.S. applicants are able to request prioritized examination once the foreign patent office issues an office action, the issuance of patents from such applications is likely to lag behind USPTO first-filed applications, which would be eligible for prioritized examination upon filing.

Moreover, JAMA believes that the proposed rules will result in substantially shorter terms for patents stemming from foreign first-filed applications. JAMA is aware that the USPTO is considering a rule to offset positive patent term adjustment (PTA) accrued in the application as a result of delays by a foreign patent office. Even under the proposed rule, however, positive PTA would accrue in a non-U.S. application during the intervening period between the foreign first office action and the submission of the required documents to the USPTO by the applicant. The patent term for non-U.S. applications would, therefore, be reduced by the time required to obtain a translation of the foreign office action and the time required to prepare an appropriate response to the USPTO.

JAMA is also concerned that the proposed rules for foreign first-filed applications would unfairly prejudice non-U.S. applicants' ability to enforce their patent rights. In particular, JAMA believes that it is unfair for the USPTO to include applicant responses to foreign office actions in the prosecution history of a USPTO application. Due to differences in patent laws, a response to a foreign office action may include statements or arguments that would not be made in prosecuting the application's U.S. counterpart. Thus, under the proposed rules, a patent stemming from a foreign first-filed application may be limited in scope under the doctrine of file wrapper estoppel in a manner that it would have not been had the application been initially filed with the USPTO. JAMA believes that such disparate treatment of USPTO first-filed applications and foreign first-filed applications is unfair and contrary to the goals of the Patent Act.

JAMA also objects to the proposed rules for foreign first-filed applications because they impose additional time and cost burdens on the applicants. For example, under the proposed rules, non-U.S. applicants would be required to obtain and submit a translation of the first office action issued in the first country, as well as prepare and submit an appropriate response to the USPTO. Consequently, applicants who file outside the U.S. first will incur burdens and costs that USPTO first filers will not, particularly where the country of first filing is non-English speaking.

JAMA is also concerned that foreign applicants are not afforded equal opportunities to take advantages of the new prosecution options under the proposed rules. As discussed, a filer of a foreign first-filed application is allowed to choose Track I (prioritized examination) only after the submission of first office action documents in the first country. In addition, Track III, which was purportedly designed to provide better timing for applicants that 'file an application just prior to the statutory bar date but before a commercially viable plan for exploitation of the innovation has been developed or financed' is not available to applicants claiming the benefit of a prior-filed foreign application.

JAMA submits that, for the reasons discussed above, the proposed rules for foreign first-filed applications may not be compliant with the general principle of 'national treatment,' which is stipulated in Article 2 of the Paris Convention and Article 3 of the TRIPS Agreement. At bottom, the proposed rules unduly prejudice non-U.S. applicants. Although foreign applicants can elect to file the first patent application with the USPTO, it is often practically very difficult for non-U.S. applicants to do so. The proposed rules thus unfairly disadvantage non-U.S. applicants, who may be restricted in their U.S. business operations due to the status and progress of the examination in the country where the first application was filed.


Therefore, while JAMA supports the overall goals of the initiative in general, and believes that the three proposed tracks adequately address the most important concerns for innovators, JAMA hopes that the USPTO will revise the proposed rules to ensure that foreign applicants are not placed at a disadvantage.

In addition to its concerns related to the disparate treatment of foreign first-filed applications, JAMA believes the proposed rules would be more effective with some additional modifications and/or clarifications. With respect to the proposed compulsory publication for prioritized prosecution (Track I), JAMA is concerned this requirement will deter applicants from selecting that option if compulsory early publication is not required for applications filed under Tracks II and III. JAMA thus believes that publication at 18 months should be introduced for all three tracks.

With respect to the proposed optional supplemental search from a participating foreign patent office, JAMA hopes that, aside from the fee associated with such a supplemental search, no additional burdens or costs would be imposed on the applicant.

In sum, although JAMA agrees with the proposed three-track system in general, JAMA requests that the USPTO redesign the system to ensure that foreign applicants are treated fairly and afforded the same procedural options as U.S. applicants. JAMA also requests that the rules be amended to assure uniform publication requirements for all prosecution tracks.

Respectfully submitted,



William C. Duncan  
General Director