From: Kirsten Zewers
Sent: Monday, March 07, 2011 5:59 PM
To: track_I_comments
Cc: Kirsten Zewers; Herbert C. Wamsley
Subject: IPO's Comments on Changes to Implement the Prioritized Examination Track (Track I) of the Enhanced Examination Timing Control Procedures

Dear Director Kappos,

Please find IPO's comments attached. Thank you for this opportunity to provide feedback. If you need additional information, please don't hesitate to contact us at 202-507-4500.

Thank you.

Best,
Kirsten

KIRSTEN E. ZEWERS, ESQ.
Government Relations Counsel
Intellectual Property Owners Association
kzewers@ipo.org
202-507-4512

President
Douglas K. Norman
Eli Lilly and Co.

Vice President
Richard F. Phillips
Exxon Mobil Corp.

Treasurer
Carl B. Horton
General Electric Co.

Directors
T.J. Angioletti
Oracle USA, Inc.
Russell W. Binns, Jr.
Avaya, Inc.
William J. Coughlin
Ford Global Technologies LLC
Timothy Crean
SAP AG
Robert DeBerardine
Sanofi-Aventis
Bart Eppenauer
Microsoft Corp.
Mark Farber
Covidien
Scott M. Frank
AT&T
Michael L. Glenn
Dow Chemical Co.
Bernard J. Graves, Jr.
Eastman Chemical Co.
Krish Gupta
EMC Corporation
Jack E. Haken
Koninklijke Philips Electronics N.V.
Dennis R. Hoerner, Jr.
Monsanto Co.
Soonhee Jang
Danisco U.S., Inc.
Michael Jaro
Medtronic, Inc.
Philip S. Johnson
Johnson & Johnson
George W. Johnston
Roche Inc.
Lisa Jorgenson
STMicroelectronics, Inc.
Dean Kamen
DEKA Research & Development Corporation
Charles M. Kinzig
GlaxoSmithKline
David J. Koris
Shell International B.V.
Mark Lauroesch
Corning Inc.
Richard J. Lutton, Jr.
Apple Inc.
Scott McDonald
Mars Incorporated
Jonathan P. Meyer
Motorola Solutions, Inc.
Steven W. Miller
Procter & Gamble Co.
Jeffrey L. Myers
Adobe Systems Inc.
Sean O'Brien
United Technologies, Corp.
Kevin H. Rhodes
3M Innovative Properties Co.
Mark L. Rodgers
Air Products & Chemicals, Inc.
Manny Schecter
IBM, Corp.
Steven Shapiro
Pitney Bowes Inc.
David Simon
Intel Corp.
Dennis C. Skarvan
Caterpillar Inc.
Russ Slifer
Micron Technology, Inc.
Daniel J. Staudt
Siemens Corp.
Brian K. Stierwalt
ConocoPhillips
Thierry Sueur
Air Liquide
James J. Trussell
BP America, Inc.
Cheryl Tubach
J.M. Huber Corp.
Danise van Vuuren-Nield
Coca-Cola Co.
Roy Waldron
Pfizer, Inc.
Michael Walker
DuPont
BJ Watrous
Hewlett-Packard Co.
Stuart Watt
Amgen, Inc.
Jon D. Wood
Bridgestone Americas Holding, Inc.
Paul D. Yasger
Abbott Laboratories

Executive Director
Herbert C. Wamsley

March 7, 2011

The Honorable David J. Kappos
Under Secretary of Commerce for Intellectual Property
and Director of the U.S. Patent and Trademark Office
Mail Stop Comments
P.O. Box 1450
Alexandria, VA 22313-1450
Attention: Robert Clarke

Via e-mail: track_I_comments@uspto.gov

Re: Comments on Changes to Implement the Prioritized Examination Track (Track I) of the Enhanced Examination Timing Control Procedures

Dear Under Secretary Kappos:

Intellectual Property Owners Association (IPO) submits the following comments pursuant to the United States Patent and Trademark Office's (USPTO) "Changes To Implement the Prioritized Examination Track (Track I) of the Enhanced Examination Timing Control Procedures" notice, 76 Fed. Reg. 6369 (February 4, 2011) (the "Federal Register Notice"). These comments supplement IPO's comments submitted August 20, 2010, in response to the Enhanced Examination Timing Control Initiative notice, 75 Fed. Reg. 31763 (June 4, 2010). We appreciate the opportunity to comment and would be glad to follow-up on any questions the USPTO may have.

IPO is a trade association representing companies and individuals in all industries and fields of technology who own or are interested in intellectual property rights. IPO's membership includes more than 200 companies and more than 11,000 individuals who are involved in the association either through their companies or law firms or as members in other categories. Our members file about 30 percent of the patent applications filed in the USPTO.

IPO applauds the USPTO's continued efforts to improve the patent examination system, but still has significant concerns about the USPTO's ability to offer prioritized examination under the Track I program without delaying examination of non-prioritized applications, and does not believe that these concerns are adequately addressed in the Federal Register Notice.

The Federal Register Notice states that the "prioritized examination fee is being proposed to be set at a level to recover the full cost of the resources necessary to increase the work output of the Office so that the non-prioritized applications would not be delayed due to resources being diverted to process the prioritized applications." However, all fees collected by the USPTO are still not made available to the agency in the current fiscal year, and Congress has not authorized a budget that would permit the USPTO to retain any fees collected under this program. Given the uncertain status of the USPTO's budget for fiscal year 2011, let alone its budget for fiscal year 2012, IPO believes that it is premature for the USPTO to be issuing a proposed rulemaking that depends on an increased spending authority.

1501 M Street, NW, Suite 1150 • Washington, DC 20005
T: 202-507-4500 • F: 202-507-4501 • E: info@ipo.org • W: www.ipo.org

The Federal Register notice states that if the USPTO's appropriations "are not adjusted to reflect the projected fee revenue resulting from the prioritized examination program, then the [USPTO] will "need to consider eliminating the program," but this is not a commitment that the USPTO actually would eliminate the program if it is not permitted to spend the full amount of the prioritized examination fees.

Moreover, while the Federal Register notice explains that the USPTO "plans to hire additional examiners . . . based on the number of requests for Track I prioritization . . . so that the non-prioritized applications would not be delayed due to resources being diverted to process the prioritized applications," the Notice also states that, "[a]dditional examiners for Track I will not need to be hired before the program can be implemented." This means that, at least until the USPTO is able to hire and train additional examiners (which it may not be able to do under current budget and federal hiring restrictions), the examination of non-prioritized applications necessarily will be delayed, because the USPTO will not have any additional resources to conduct prioritized examination of Track I applications.

Thus, IPO believes that the USPTO should not move forward with this program at this time, or until the spending authority problem is resolved.

In the event that the USPTO decides to move forward with the Track I program, IPO provides the following comments on specific provisions of the proposed rules.

1. The Notice states that the USPTO will set an annual cap on the number of applications that can be granted prioritized examination in Track I to 10,000 applications.

Will the USPTO set an annual (or total) cap on the number of Track I applications that a given applicant can file as it has for other fast-track programs?

Will the USPTO set an annual cap on the number of Track I applications per Technology Center?

2. The Notice states that prioritized examination will terminate upon filing of a Notice of Appeal.

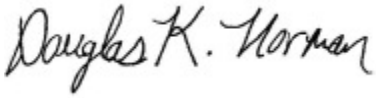
While IPO understands that the Track I program will not extend to the appeal process, IPO believes that the filing of an Appeal Brief, rather than filing of a Notice of Appeal, should be the triggering action for terminating prioritized examination. For example, sometimes a Notice of Appeal is required to maintain the pendency of an application while the examiner considers an after-final response. In such cases, filing of a Notice of Appeal should not terminate prioritized examination.

3. The notice states that the fee for filing a request for prioritized examination would be $4,000, or, if statutory authority is obtained to give a discount to small entities, $4,800 for applicants that are not small entities.

The USPTO does not explain whether it would cost $4,000 more to examine a prioritized application than a regular application. The Office obviously would need to hire more examiners in order to handle prioritized applications without delaying regular applications, but the prioritization fee may be for the purpose of supporting more examiners to examine all applications, rather than a fee to pay extra costs associated with examining a prioritized application.

IPO appreciates the opportunity to comment and looks forward to working with the USPTO to improve the patent examination system.

Sincerely,



Douglas K. Norman
President