

From: Matt Rainey

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To: track_I_comments

Subject: Intellectual Ventures-Comments on Changes to Implement the Prioritized Examination Track (Track I) of the Enhanced Examination Timing Control Procedures, 76 Fed. Reg. 6369 (February 4, 2011)

The Honorable David J. Kappos

Under Secretary of Commerce for Intellectual Property

and Director of the United States Patent and Trademark Office

Mail Stop Comments – Patents, Commissioner for Patents

P.O. Box 1450

Alexandria, VA 22313-1450

Attn: Robert A. Clarke, Deputy Director, Office of Patent Legal Administration
Office of the Associate Commissioner for Patent Examination Policy

Dear Under Secretary Kappos,

The attached Comments by Intellectual Ventures, LLC are submitted in response to the Notice of Proposed Rulemaking relating to the Changes to Implement the Prioritized Examination Track (Track I) of the Enhanced Examination Timing Control Procedures published at 76 Fed. Reg. 6369-6376 on February 4, 2011.

Very truly yours,

--Matt Rainey

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re: Docket No. PTO-P-2010-0092

76 Fed. Reg. 6369
(February 4, 2011)

*Comments by Intellectual Ventures, LLC on the
Proposed Prioritized Examination Track (Track I) of the Enhanced
Examination Timing Control Procedures*

To:

The Honorable David J. Kappos
Under Secretary of Commerce for Intellectual Property
and Director of the United States Patent and Trademark Office
Mail Stop Comments - Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450
Attn: Robert A. Clarke

Submitted by:

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received on the Proposal, as well as its willingness to adopt suggestions presented in those comments. We appreciate the USPTO's efforts and the opportunity to provide further comments.

We generally support Track I in its revised form as presented in the Notice. However, we believe that Track I could be improved in several respects, which we discuss below. Briefly, we urge the USPTO to reconsider its position regarding the availability of Track I for reissue applications. We also urge the USPTO to allow applicants to add claims beyond the limit of 4 independent and 30 total claims once allowable subject matter is identified, provided that the added claims do not require further search or examination by the examiner. Additionally, we believe that a petition for prioritized examination should be available not just at the original filing date, but until a first office action has issued. Finally, we remain concerned that the issue of fee diversion could neutralize the Office's efforts to allocate sufficient examination resources to Track I without adversely affecting non-Track I applications.

II. Comments on Track I as presented in the Notice

Among other aspects, the Notice provides that a request for Track I status will be available only upon the initial filing of an application, and reissue applications will be ineligible for Track I status.⁴ The USPTO has proposed a \$4,000 cost recovery fee for requesting Track I status, and Track I applications will be limited to 4 independent and 30 total claims.⁵ The USPTO will accept only 10,000 requests for Track I status during the first year of implementation, and will target "final disposition" of Track I applications within 12 months of the date prioritized status is granted.⁶

A. The USPTO should make Track I available to reissue applications.

In our previous comments, we noted the lengthy pendency of reissue applications, and suggested that Track I be made available to such applications.⁷ The USPTO acknowledged this comment, but in response, concluded that "Track I will not be available for reissue applications since reissue applications are already treated as special applications."⁸

We respectfully urge the USPTO to reconsider its reasoning. Although reissue applications are designated as "special," the pendency statistics for reissue applications show that this status is insufficient to guarantee rapid prosecution. (See, *e.g.*, graph entitled "Prosecution Pendency of Reissue Applications" at <http://www.patentlyo.com/patent/2009/08/reissue-applications-over-time-1.html>.) During pendency, the ultimate scope of the patent to be reissued remains in doubt,

⁴ Proposal at 6370, 6374.

⁵ *Id.* at 6370-71.

⁶ *Id.* at 6369-70.

⁷ Comments at 9.

⁸ Notice at 6374.

contributing to uncertainty for both the applicant and the public.⁹ Thus, we submit that reissue pendency represents a demonstrable problem that falls within the circumstances that Track I is intended to address.

We believe that allowing Track I treatment for reissue applications is important to support the Office's goal of data-driven performance monitoring and control. Specifically, the USPTO indicates its intention to "closely monitor the number of applications in the different tracks" and to "gaug[e] the ability of the Office to obtain sufficient resources to meet its goals."¹⁰

We believe the Office should apply the same data-driven management philosophy to reissue applications (and, indeed, to all examination programs) to measure actual examination performance relative to clear goals, and to make operational adjustments in view of such measurements.

Making Track I available for reissue applications would not impair the USPTO's ability to implement Track I in a controlled fashion. According to the USPTO's statistics, only 1,144 reissue applications were filed in 2010,¹¹ so at most only a small percentage of the 10,000-application limit would be reissue applications. If the Office is concerned that reissue applications would be overrepresented in the Track I process, a separate limit reissue applications could be specified.

We believe that reissue application pendency presents concerns that merit the USPTO's attention, particularly, as noted above, because reissue applications are by their nature likely to be valuable. Until application pendency is systemically resolved (a challenge to which we are aware the Office is devoting considerable attention), making Track I available for reissue applications would in the meantime achieve special dispatch for reissue applications.

B. After allowance, the USPTO should allow the addition of claims, provided they do not require additional search or examination – e.g., in different statutory classes of equivalent scope to allowed claims.

In our August 2010 Comments, we suggested that existing USPTO practices, such as excess claim fees and restriction practice, are adequate to control the examination resources demanded by an application, and that there is no need to impose a particular limit on the number of claims

⁹ Although the number of reissue applications filed in any given year is small, the fact that a reissue application is filed signals that the patentee perceives the underlying patent to have value and is worth the effort and expense of correcting any errors. Since a reissue application generally corresponds to perceived value for product coverage, licensing, etc., the question of public notice and certainty is particularly important for reissue applications.

¹⁰ Notice at 6371.

¹¹ USPTO Performance and Accountability Report, Fiscal Year 2010, at 125. It should be noted that even though for many years the number of reissue applications filed has consistently been a small fraction of the total number of applications filed, it does not follow that reissue applications are in any way less significant to patentees or the public than are original applications. Indeed, the opposite may be true. See note 9, supra.

in a Track I application.¹² The USPTO acknowledged various similar comments, but nonetheless proposes to limit the number of claims in a Track I application to 4 independent and 30 total claims, citing its experience with the Accelerated Examination program.¹³

We understand the USPTO's concern that without some constraint on examination workload, it would be difficult to satisfy the goals for prioritized examination. But as we previously mentioned, the number of claims in an application does not always reflect the degree of effort required to examine that application.¹⁴ For example, to adequately protect some computer-related inventions, best practices may dictate that an applicant draft a number of claims corresponding to different statutory classes (e.g., method, system, or computer-readable medium), as well as claims corresponding to different perspectives (e.g., client and server), yielding as many as six or more independent claims. However, various ones of the independent claims may have essentially similar features, such that once one of the independent claims is examined on its merits, examination of similar independent claims directed to different statutory classes requires no additional effort.

Accordingly, if the limit of 4 independent and 30 total claims is adopted for Track I applications, we propose that once allowable subject matter is identified, Track I applicants should be permitted to add claims related to the allowable subject matter, even if the resulting number of claims exceeds either limit, provided that the added claims do not necessitate further search or examination by the examiner.¹⁵ In particular, Track I applicants should be permitted to add claims that recite the allowable subject matter in claims that are directed to other statutory classes, or to add dependent claims, as long as the additional claims do not require additional search or examination. Absent such a provision, applicants will likely need to file continuation applications directed to such other minor variations on allowed claims, which would be expensive and wasteful of the Office's resources.

There may be other situations in which added claims should be permitted following this "no further search or examination" test. This standard is consistent with the USPTO's goal of limiting workload in Track I applications as well as the fact that claim count does not necessarily correlate with workload. Permitting addition of claims subject to this standard would allow applicants to obtain the level of protection suitable for their inventions while still constraining the number of truly disparate claims in an application.

¹² Comments at 8-9.

¹³ Notice at 6373.

¹⁴ Comments at 8.

¹⁵ Added claims in excess of those originally paid for would of course be subject to excess claim fees, as under current practice.

C. Timing of Request for Prioritized Examination.

Proposed Rule 1.102(e), the request for prioritized examination would have to be made at the time of filing the application. Because an applicant is often in a hurry to meet a filing date for various reasons, it would be helpful not to add an additional filing requirement on the very date of original filing. We believe it would be helpful to applicants, particularly small entity inventors who do not have large filing departments or who cannot necessarily easily call upon outside counsel to assist, to allow requests for prioritized examination to be filed after the filing date up through the time of a first office action. This would also give applicants a greater amount of time to assess whether it is worth the expense of the petition (e.g. while a product continues to be prototyped), and would avoid unnecessarily filling the prioritized examination queue (and occupying some of the 10,000 allotted slots) with applications that may later be withdrawn from priority.

D. Fee diversion remains a concern.

In our previous comments, we expressed concern that statutory limitations on the USPTO's ability to set and retain fees could neutralize the USPTO's attempts to allocate adequate examination resources to Track I.¹⁶ The USPTO acknowledged receiving several similar comments, and appears to recognize the real possibility that if the USPTO's appropriations "are not adjusted to reflect the projected fee revenue resulting from [Track I], then the Office will need to consider eliminating the program."¹⁷

We continue to support Congressional action to permanently end fee diversion and to enable the USPTO to provide Track I fee reductions for small and micro-entities. At the same time, we acknowledge that potential fee diversion is a current reality for the USPTO (though the currently pending patent legislation, if passed, could resolve this). Accordingly, we believe that any effort to implement Track I must not adversely affect the examination of non-Track I applications. In that vein, we applaud the USPTO's commitment to "proceed slowly and closely monitor the number of applications in the different tracks" to determine its continuing ability to meet its performance goals, and urge the USPTO to act accordingly if it appears that Track I demands are adversely affecting non-Track I performance.

VIII. Conclusion

In summary, we believe that various interests of applicants, the general public, and the USPTO would be served by modifying Track I in the three respects we have proposed above.

¹⁶ Comments at 7.

¹⁷ Notice at 6372.

First, opening Track I to reissue applications would help promote certainty for applicants and the general public in the protection valuable inventions, while helping the USPTO improve its performance. Second, allowing applicants to add new claims that would not require further search or examination would enable applicants to seek appropriate claim coverage for their Track I applications while minimizing the use of USPTO resources and the number of applications required to provide appropriate claim coverage. Third, we believe that an applicant should be allowed to file the petition for prioritized examination through the time of the first office action. And given the fiscal uncertainty created by fee diversion, we urge the USPTO to proactively ensure that Track I applications do not affect the examination performance of non-Track I applications.

We appreciate the Office's steps in seeking public comments and revising its proposals in order to respond to such comments. We look forward to continuing to work with the Office to improve its processes for the benefit of USPTO customers and the general public.

Consideration of the above comments is respectfully requested.

Respectfully submitted,
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