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**From:** Frampton E Ellis [mailto:framptonellis@anatomicresearch.com]

**Sent:** Wednesday, May 03, 2006 7:44 PM

**To:** AB93Comments

**Cc:** Frampton E Ellis

**Subject:** RE: Notice of Proposed Rulemaking Entitled "Changes to Practice for Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims" 71 Fed. Reg. 48-61

VIA E-MAIL TO AB93Comments@uspto.gov

Robert W. Bahr

U.S. Patent and Trademark Office

RE:

Notice of Proposed Rulemaking Entitled "Changes to Practice for Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims" 71 Fed. Reg. 48-61

Dear Sir,

Attached are the comments of Anatomic Research, Inc. regarding the subject proposed rulemaking.

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## **Counterproposal: Expand Examination Deferral Practice**

At the Small Business Administration Roundtable on the USPTO's Proposed Claims and Continuation Practice on March 8th of this year, I proposed a less risky change to examination practice that should reduce quickly and without pain the huge existing application backlog. That counterproposal was to allow inventors to more easily and for longer periods defer examination of their patent applications at their own discretion.

### **Defer Examination of Applications Lacking Probable Commercial Value**

The rationale for this simple counterproposal is the near certainty that immediate examination is premature for most inventors, since the commercial value of any application is almost always completely unknown at this earliest stage. Moreover, the vast majority (perhaps as high as 98%) of all applications never become commercially valuable patents.

Therefore, it serves no apparent logical purpose for the PTO to insist on examining all applications immediately (and uniformly) and thereby creating a huge backlog that results in the PTO being uniformly unable to examine any applications in a timely fashion or, allegedly, with sufficient quality to justify the huge examination effort.

### **Striking a Better Balance Between Speed and Quality Versus Breadth**

It seems proven yet again that you can have your cake (examine all applications) or eat it (issue patents with sufficient speed and quality), but not both, at least not now with our current backlog problem.

Therefore, it seems preferable to strike a more reasonable real world balance, exclusive of the current huge backlog, to have something like only 1/2 to 1/3 of all applications receiving examination with on average about twice to three times as much examination time per application as the current practice.

As a result, the fewer patents issued (although with a clear majority still destined to have no commercial value) would without question support the general presumption of validity. The decision to examine and when, with payment of a separate examination fee at when examination is elected, should be left to applicants, who are the only ones in even a plausible position to provide the critical service of identifying the economically dubious applications that can remain unexamined based on an assessment of unjustifiable cost to the applicant.

### **Deferral & Initiation of Examination at the Inventor's Discretion**

Instead of initiating examination after application filing, all examinations should be routinely deferred for a reasonable period of years to allow the inventor to develop the invention and assess its potential value. Initially, the inventor's often limited financial resources would be generally best focused on developing an even better prepared application and a more thorough prior art search of novelty, both of which can be accomplished with readily available expert help while avoiding use of precious PTO Examiner resources.

At the same time every inventor should retain the absolute right to initiate examination at any time, if necessary in the inventor's judgment, including as early as at the time of initial application filing.

### **Since GATT Limiting Deferral Lacks Any Reasonable Justification**

The current, very limited PTO examination deferral practice is apparently an obsolete carryover from the pre-GATT patent term of 17 years from date of issue. Since 1995, with a 20 year patent term fixed to the date of initial application filing, the rationale for limiting examination deferral practice no longer exists. Patent term now remains exactly the same regardless of whether or how long examination is deferred,

### **PTO's Seven Year Opt-In Deferral With Publication**

I understand that the PTO now plans to propose in the near future to change examination deferral practice to allow applicants to defer examination of new applications when filed for a period of up to seven years (instead of the current three, from earliest priority date), but only if the application is to be published at eighteen months, as are apparently about 90 percent currently.

### **Tie Publication to Average Pendency for US-Only Applicants**

However, the remaining 10 percent, the US-only applicants who decline to publish should be offered an option fairer to them, thus making them more likely to elect deferral and thereby further reduce the backlog.

One such option would be to defer publication for the same time period as the average pendency period for the application's art unit when filed, so that time of publication would be supported by the same rationale as the 18 month publication change several years ago: namely, that publication at 18 months would not harm the average applicant, since the average application is published as an issued patent at 18 months, a convenient but inaccurate assumption made at the time. The applicant should not be made to suffer for general PTO examination delays.

**The SAFEST Short Term Solution: TWO YEAR BLANKET DEFERRAL of Examination For ALL Applications, INCLUDING the BACKLOG, with Applicant OPT-OUT OPTION**

Certainly of greater consequence in reducing the huge application backlog is the PTO's apparent decision not to expand deferral practice for the 800,000+ and ever growing backlog of already pending applications, which of course will result in the backlog remaining huge.

**If the PTO's position is that the current backlog situation is a crisis requiring immediate drastic action, then the safest and surest approach would be to defer AUTOMATICALLY all application examinations, new or pending, for a relatively short period of about two years (roughly the workload size of the current backlog), while at the same time allowing any applicant the option at any time of requesting examination as soon as possible.**

**Safe Short Term Fix Buys Time For Better Longer Range Planning**

The above described approach should provide at least a workable fix for the backlog problem in the short term with the least risk possible. It will also buy sufficient time over the next few years for the PTO to formulate longer range solutions that have widespread support. At the same time the above approach will function a relatively safe trial of new practices with high potential that may be successful enough to be include, with or without modification, in the PTO's longer range solutions.

**Continuation of Current Routine Fee Practices in Examination**

Examination could be under current examination fee practice, including the continued use of penalty fees for late applicant responses (such as for first through fifth extended months). For the sake of continuity this archaic practice could continue at least for now, although it has made no sense since the 1995 GATT-related change to a 20 year fixed term from date of filing, since the applicant gains no patent term by delaying response and of course actually loses term in some cases and therefore needs no redundant disincentive to delay.

**Rapid or Other Enhanced Forms of Examination**

The PTO should also provide accelerated or enhanced forms of examination for additional fees at the discretion of the inventor. One example could be significantly increasing the fee for making an application Special and providing PTO Examiner services to conduct the expedited examination. This would be instead of the current practice of requiring the applicant to do much of the expedited examination, thereby unavoidably creating a multitude of at least somewhat plausible grounds for alleging inequitable conduct. And, of course, deterring most rational applicants from making their application Special however urgent their need.

### **PTO's Proposed Claim Changes: A No Cost Option For Faster Examination**

Another reasonable alternative would be to make the PTO's proposed claim examination practice a discretionary option to the applicant that would, at no additional cost to the existing cost of routine examination, result in the application with 10 or fewer representative claims being assigned a higher examination priority and therefore faster examination than an application without representative claims.

### **Inventor's Three Basic Options: Rapid, Routine, or Deferred Examination**

With the foregoing application examination practice changes, the USPTO would be providing, for the first time, three basic, realistic options for the applicant: rapid examination, routine examination, and deferred examination.

As a result of abandoning the existing "one size fits all no matter what" examination approach, the USPTO could institute the best practice of maximizing the number of satisfied PTO customers, while at the same time solving its critical backlog problem and providing the continued effectiveness the United States Patent System, which is still by far the best in the world and the cornerstone of our national economy and defense.

### **Other Potential Changes in Examination Procedure**

The general approach described above for deferred and enhanced examination were outlined in my patent application titled "METHODS FOR THE EXAMINATION OF UTILITY PATENT APPLICATIONS", which was published by WIPO as WO 00/77713 A2 on 21 December 2000 and is attached to these comments to provide suggestions for other examination options to initiate a free-ranging discussion of examination practice.

By the way, lest my motives be misconstrued, my goal in filing the above application was not to extract royalty payments from the USPTO (as delicious a thought as that might be to contemplate in an unguarded moment, I certainly do not want to prompt design-around efforts that avoid use of what might be optimal embodiments). Instead, I hoped to use this rather unconventional approach some years ago to attract attention to potential problems and solutions described therein to stimulate an "outside the box" discussion of constructive ways to improve the vital examination function of the USPTO.

### **CONCLUSION:**

#### **The SAFEST Short Term Solution:**

**TWO YEAR BLANKET DEFERRAL of Examination For ALL Applications, INCLUDING the BACKLOG, with Applicant OPT-OUT OPTION**

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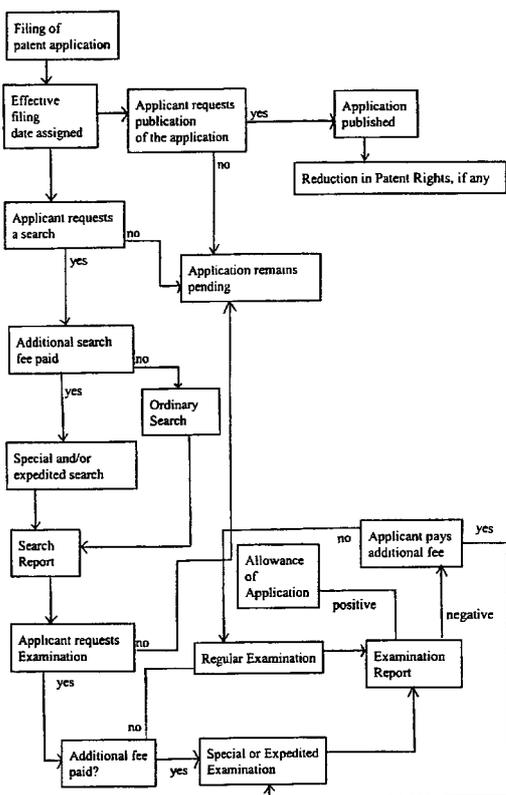
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[Continued on next page]

(54) Title: METHOD FOR THE EXAMINATION OF UTILITY PATENT APPLICATIONS



(57) Abstract: This invention relates to method for examining utility patent applications in any utility patent application examination system, including those authorized by national, regional, or international authorities, as well as quasi-governmental, private, or any other systems. More particularly, this invention relates to a novel patent examination system in which the examination procedure is initiated at the discretion of the patent applicant at any time during the fixed term of the potential patent deriving from the application. In addition, this invention relates to a novel priority system for patent examination based on additional fees as a result of which the examination process may be expedited. Potentially occurring at any stage of the prosecution procedure, any action by an examination authority can be obtained more expeditiously, or as expeditiously as possible, or within a guaranteed period, by the payment by the applicant of a fee, to list three examples. The invention also relates to a patent examination method wherein an additional or higher fee is charged to an applicant to provide a special form of service or higher level of service. In another aspect, the invention relates to a method for patent examination wherein the applicant may defer publication of a pending utility application not being examined, but after a fixed publication period such as four or five years, one or more patent rights would be reduced or the application would be abandoned if the applicant had not authorized publication in the absence of examination. Early publication of the application, for example at eighteen months from the effective filing date, would not be held as prior art for other related applications by the same applicant for some additional time period, such as an additional eighteen months.

WO 00/77713 A2



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*For two-letter codes and other abbreviations, refer to the "Guidance Notes on Codes and Abbreviations" appearing at the beginning of each regular issue of the PCT Gazette.*

## METHOD FOR THE EXAMINATION OF UTILITY PATENT APPLICATIONS

### Background of the Invention

#### 1. Field of the Invention

5           This invention relates to a method for examination of utility patent applications in examination systems having a fixed patent term determined from the effective filing date of the patent application. More particularly, this invention relates to a novel patent examination system in which various steps in the examination procedure are initiated by the patent applicant, at his discretion, at any time during the fixed term of the potential patent deriving from the  
10 application.

#### 2. Brief Discussion of the Prior Art

          The United States patent system originated as a first-to-invent system wherein patent rights were awarded to the inventive entity that first invented the subject matter of the patent.  
15 This is to be distinguished from the first-to-file patent system which is prevalent in nearly all other countries of the world today.

          In recent years, however, the United States has adopted a number of changes to its patent laws. Some of these changes which have been adopted originate from first-to-file patent systems in foreign countries. As a result, the present United States patent system is a hybrid of  
20 the original first-to-invent system with various aspects of foreign first-to-file patent systems incorporated piecemeal therein. Due to this hybridization of the United States patent system, some of the original policies of the first-to-invent system no longer make sense when viewed in the context of the present system.

          Prior to the major change in utility patent law in the United States of America as a  
25 result of the General Agreement on Trade and Tariffs ("GATT") in 1995, U.S. utility patents had a 17 year term after being issued. This required that the examination of applications begin immediately and continue as quickly as possible to avoid excessive and unfair extension of the patent term, such as might occur with a so-called "submarine" patent surfacing decades after being filed and examined confidentially within the U.S. Patent and  
30 Trademark Office ("USPTO").

However, the GATT-related changes to U.S. patent law fixed the term of patents issuing from U.S. utility applications at 20 years from their earliest effective filing date, similar to the system in most major foreign countries. Consequently, there is no longer a need for immediate and expeditious examination of U.S. patent applications since the patent term is determined from the date of issue. Any delay in examination and issuance simply results in a loss of the patent term for the applicant. Moreover, there is no possibility for the applicant, by his own actions, to extend the patent term beyond the fixed 20 year maximum, effectively ending any serious potential for so-called "submarine" patents.

The current practice of financially penalizing applicants who do not respond to USPTO communications within a fixed period (such as office actions within three months) with rapidly escalating fees makes no sense whatever for post-GATT patent applications that have a fixed patent term of 20 years from effective filing date. Such financial penalties only made sense in the pre-GATT situation before June 1995 when patents had a 17 year term from the date of issue, after examination was completed. Under the present system, however, the applicant loses patent term for whatever delays the applicant causes. It is unfair for the applicant to be doubly penalized by also having to pay extension fees.

Most patent applications do not need to be fully examined in the manner that is currently employed because most inventions which are the subject of patent applications are never commercialized. Estimates range from a low of over 50% (in 1969) to as high as 98% of issued patents never have significant commercial value. In addition, the majority of U.S. patent applications filed are finally rejected by the USPTO and not issued as patents. These numbers, taken together, suggest that, at best, a small number of applications, which is perhaps less than 15% of U.S. patent applications currently being examined, will result in patents that have significant commercial value.

Some foreign countries allow all applicants to defer examination of their applications until the applicants have some relatively firm indication of commercial value, when and if they ever do. Deferred examinations are common in Germany and Japan for periods of up to seven years, but cannot be extended beyond that limited period. For the relatively few independent inventors who successfully commercialize their inventions, it generally takes an average of seven years, whereas under current United States law the patent application examination process begins as soon as a regular utility patent application is filed.

This appears to be a massive waste to the applicant or patent holder, since a complete examination process is very expensive both in terms of cost, as well as in terms of effort, both diverted from developing a commercial product. Only wealthy applicants can afford this very high expense, especially when more than one patent application becomes necessary to protect the commercial embodiment of the invention, as if often the case for important inventions.

This currently unavoidable cost forms a formidable barrier that prevents most Americans, including particularly women and minorities, from participating in the benefits of the U.S. utility patent system. Although certainly not guaranteed, those benefits for breakthrough technologies that start whole new industries can be extraordinary. But those benefits are limited now to those relative few with sufficient means, such as rich individuals and large businesses. Most Americans are excluded, wasting a vast pool of talent and expertise and causing the wide range of their group-specific problems not to be addressed with technical solutions. The continued exclusion of most Americans and their personal intellectual property from protection by the U.S. patent system is fundamentally unjustifiable and therefore should not be allowed to continue.

Correcting this existing inequity to individual inventors is possible and would also benefit large businesses and the employees of the USPTO. Unlike most independent inventors, applicants that are multi-national corporations often have a relatively immediate need for patent protection, since their patents generally are incremental improvements of existing inventions. The current overwhelming level of workload at the USPTO has created a situation where patent application examination is much slower than needed and often is accomplished under intense time pressure. This excessive workload inherently has lowered the quality of examination. Patent Examiners and other employees at the USPTO are equally frustrated by the time pressure caused by the excessive workload and the many perverse incentives that have evolved piecemeal over many decades to deal with this uncontrollable workload.

The current U.S. patent examination has no simple and effective means for expediting the examination of applications for inventions that need immediate protection. The existing practice of Petitioning to Make Special eventually achieves some increase in the speed of patent examination, but partly by shifting initially the burden of the examination process to the applicant, who must create a prosecution history that may become problematical later in

unforeseen ways and therefore many applicants choose to avoid this option. Moreover, ruling on the Petitions to Make Special creates additional, unnecessary work at the USPTO which could be eliminated.

Publication of a utility patent application occurs at eighteen months after filing in most countries, regions, and international authorities, but occurs at the applicant's discretion in the United States for applications that are filed only in the United States., while other applications which are foreign filed are published at eighteen months, both in the United States and abroad. Early publication creates the risk that established third parties may be able to obtain the benefits of the invention to dominate a new product market before the applicant obtains patent protection or at least obtain an advantage from the knowledge contained in the publication at an early stage to design around a later patent. It is common for major companies to monitor all of the published patent applications in particular technical fields to keep abreast of what their competitors are doing.

On the other hand, not publishing a patent application has the disadvantage that third parties do not obtain notice of the fact that a patent application is pending and thus might waste very significant time and resources on projects which will be later blocked by patents. Moreover, failure to publish patent applications for many years may have a tendency to slow innovation since innovation is fostered by the dissemination of information whereby innovators can build on the discoveries of others.

From the foregoing discussion it can be seen that there are a number of disadvantages to the present U.S. patent system which may effectively limit access to the system to wealthy individuals or corporations and significantly slowing the examination of applications, resulting in a deterrent to innovation and commercialization of important inventions. The present application proposes some solutions to these problems which are designed to make the U.S. patent system more efficient and accessible to a much larger class of persons to thereby encourage further innovation and foster commercialization of a higher percentage of inventions. These proposed solutions can be used to solve similar problems in the utility patent systems of other countries or regions.

### Brief Summary of the Invention

This invention relates to method for examining utility patent applications in any utility patent application examination system, including those authorized by national, regional, or international authorities, as well as quasi-governmental, private, or any other systems. More particularly, this invention relates to a novel patent examination system in which the examination procedure is initiated at the discretion of the patent applicant with assurance at any time during the fixed term of the potential patent deriving from the application.

In addition, this invention relates to a novel priority system for patent examination based on additional fees as a result of which the examination process may be expedited. Potentially occurring at any stage of the prosecution procedure, any action by an examination authority can be obtained more expeditiously, or as expeditiously as possible, or within a guaranteed period, by the payment by the applicant of a fee, to list three examples. The invention also relates to a patent examination method wherein an additional or higher fee is charged to an applicant to provide a special form of service or higher level of service.

In another aspect, the invention relates to a method for patent examination wherein the applicant may defer publication of a pending utility application not being examined, but after a period such as four years the application would be abandoned if the applicant had not authorized publication in the continued absence of examination. Early publication of the application, for example at eighteen months from the effective filing date, would not be held as prior art for other related applications by the same applicant for some additional time period, such as an additional eighteen months.

These and other aspects of the present invention will be apparent to those skilled in the art from the detailed description which follows.

### 25 · Brief Description of the Drawings

Fig. 1 is a flow chart of one embodiment of an examination method in accordance with the present invention.

Detailed Description of the Preferred Embodiments

This invention relates to any utility patent application examination system, including those authorized by national, regional, or international authorities, as well as quasi-governmental, private, or any other systems.

5 More particularly, this invention relates to a novel patent examination system in which the examination procedure is initiated by the patent applicant, at his discretion, at any time during the fixed term of the potential patent deriving from the application. Consequently, under the method of the invention, examination can be deferred throughout the entire potential term of a utility patent application, after which the unexamined application would  
10 become abandoned. At present, many countries including the United States, have adopted patent terms fixed at 20 years from the effective filing date of the application. The present system would permit the applicant to defer a request for examination throughout this entire term or at least a substantial portion thereof, rather than being forced to proceed with examination of his patent application by law.

15 To apply this in the U.S. patent system, a request for examination of a patent application would become a separate step in the process which is initiated by the applicant rather than by the USPTO, thus permitting the applicant to defer examination until the applicant determines that obtaining examination of the patent is necessary or advantageous. Surprisingly, doing so would appear to be in the interests of all applicants, and particularly  
20 U.S. independent inventors, as well as many multi-national corporations. This is evidenced by the current situation in Japan where a large percentage of patent applicants take full advantage of the 7 year deferred examination period provided by Japanese law to defer initiation of the examination proceedings for the full 7 years or some part thereof.

Current U.S. patent law can be amended, very simply, to effectuate this change by,  
25 - fore example, deleting the automatic abandonment of a provisional application 12 months after its filing date. Under current patent law in the United States, any provisional application can be converted to a regular application if a timely request is made prior to 12 months from the filing date of the provisional application. Otherwise, the provisional application becomes abandoned. Instead, by removing the one year time period, all provisional applications can be  
30 converted to status as a regular application at any time during the fixed term of the patent as

provided by law, which, in the case of the current United States law, would be 21 years from the filing date of the provisional application.

If this change is made, then any applicant who can afford the minimal \$75 filing fee, can file a provisional application that preserves his or her individual intellectual property rights for the full potential patent term of twenty years plus the additional year provided for by filing a provisional application. The \$75 fee can optionally be further reduced, such as to \$25, for the economically disadvantaged and for students. Such applicants need not incur any further patent costs until and unless commercial success makes funding those costs possible and/or desirable. With the imminent introduction of electronic application filing, even such low filing fees can cover future costs of operating the USPTO in this manner.

Implementing this solution likely will require substantially higher USPTO examination fees for the substantially fewer patent applications being examined, a relatively easy adjustment yielding the additional benefit of much better examinations that result in much higher quality patents. Both applicants and USPTO employees should be far more satisfied by this much more productively focused system. Applicant's time and money will only be spent on commercially valuable patent applications. The higher examination fees could be afforded because they would be necessary only for patents in a relatively advanced commercialization stage when funding decisions or solicitations can best be made.

Also, applicants would have the ability to be more selective in which patent applications are examined since they would be able to choose not to proceed with applications for which no commercial potential develops during the fixed patent term. This process already plays out to a limited extent under the Patent Cooperation Treaty where applicants are permitted a fixed 30 month International Phase within which they may evaluate the commercial importance of their invention. Many applicants choose not to proceed at the end of this fixed 30 month period or to proceed only on a limited basis, due to their ability to reevaluate the commercial potential of the invention at this time.

Implementation of this system would require separate examination fees, and perhaps some other fees. In one embodiment, examination fees can be three to five times larger than the current application filing fees for the USPTO which cover the examination process. The USPTO can contract for a preliminary survey to set the initial fee to insure reasonable operating funds and fees could be adjusted at least annually. To facilitate the transition, prior

applications already in examination might not be included or might be included only after the next final office action (any still pending pre-GATT applications would of course not be included but very few remain). Alternatively, some other transitional procedure could be developed to minimize the short term impact of these changes on the fiscal and staffing requirements of the USPTO.

Since independent inventors are frequently single individuals who have far different funding capability from the USPTO's Small Entity Definition, which includes companies of up to 500 employees, one embodiment of the present invention provides a separate and lower fee structure for independent inventors or companies or groups of inventors of, for example, up to 10 persons, a small size but allowing for a reasonable level of collaboration. A lower examination fee would also be applicable.

An extremely important collateral benefit of the simple proposal described above is that since the USPTO would only have to act on commercially important patent applications, a higher quality of examination could be offered since the workload could be reduced to a sufficient extent to allow examiners to spend more time per patent application. The resultant higher quality of issued patents would likely reduce costly patent validity challenges in Federal Courts or in USPTO reexamination procedures. A similar benefit would be in generally reducing the need for most other forms of reexamination and even litigation and its associated very high cost, since a significant number of reexamination and litigation issues are related to the quality of the patents at issue and their examination histories.

Since searches of prior art are the first step in nearly all examination processes and perhaps the most important one as well, in one embodiment of the invention the USPTO can also offer searches independent of the rest of the examination process for a separate fee. As another embodiment, the USPTO can offer "gold-plated" searches that offer increased depth and breadth for higher fees. In this manner, the applicant can select when the search is to be undertaken as well as how thorough a search will be conducted based on the amount of fees that applicant is willing to pay for the various levels or types of service, emphasizing range or depth or both and/or other criteria.

This invention therefore relates to a novel priority system for search and examination based on payment of higher or additional fees to expedite the process. Potentially occurring at any stage of the patent prosecution procedure, any action by a searching or examination

authority, including appeal boards, interferences and oppositions can be obtained more expeditiously, or as expeditiously as possible, or within a guaranteed period, by the payment by the patent applicant of an extra or higher fee, to list a number of examples. This makes much more sense than penalizing applicants for delay by requiring them to pay extension  
5 fees, since the applicant is already penalized for delay by loss of patent term.

Generally, an additional or higher fee can be charged to any applicant requesting any special form of service or higher level of service for any patent examination procedure. Such fees can, for example, be non-fixed fees based on an estimate of completion cost, a fixed number of billable hours to be spent on the project or any other suitable fee calculation basis.

10 In another embodiment, the present method allows a patent applicant to defer for a period publication of a utility patent application for which examination has not been requested, such as for up to four years. However, if an applicant does not authorize publication within the period, such as four years from the effective filing date, the application would be abandoned in the continued absence of examination. Publication can be limited to  
15 an electronic media, such as on the Internet or World Wide Web, to keep the cost minimal and maximize access.

As another example, if publication of an application were deferred for a period such as more than five years beyond the typical publication date of 18 months from the effective filing date, then the applicant would forfeit the right to exclude others from practicing the  
20 invention and thus would only be able to obtain reasonable royalties once the patent issued. Other potential variations of this rule are possible and within the scope of the present invention.

In another embodiment, the present method allows a patent applicant to defer publication of a utility patent application for any period of time during the fixed patent term, but  
25 with a reasonably offsetting reduction of one or more of the patent rights. One such reduction in rights would be that for an additional period equal to the publication delay period beyond a specified period, the applicant would forfeit the right to enforce any patent granted on the application. For example, if the period for publication were set at 18 months, and the publication of an application was delayed by the applicant for three years beyond the 18 month  
30 period from the effective filing date, then only after an additional three years from the actual publication date would the resulting patent rights be enforceable. In other words, the patent

applicant, by deferring publication for three years, must forfeit an additional three years of patent enforceability beginning on the publication date, as the cost of deferred publication.

This process has the advantages that the applicant may defer publication indefinitely if that is considered important to effective exploitation of the invention. However, this process  
5 reduces the potential damage to third parties caused by deferred publication by providing such third parties additional time during which the patent is unenforceable against them as a result of the applicant's choice to defer publication.

As another example, if publication of an application were deferred for more than seven years beyond the normal publication date of 18 months from the effective filing date, then the  
10 penalty could be that the applicant would forfeit the right to exclude others from practicing the invention and thus would only be able to obtain reasonable royalties once the patent issued. Other potential permutations of this rule are possible and within the scope of the present invention.

The present invention also contemplates changing the way copending patent  
15 applications are to be treated as prior art relative to one another. In one embodiment of the invention, published patent applications will be treated as full prior art against third party patent applications, i.e. usable for both novelty and obviousness rejections, as from their effective filing date. However, unpublished patent applications will be treated differently.

More specifically, all patent applications are to be entered into the Patent Office prior art  
20 database as of their effective filing date so that such patent applications, whether pending, published or issued, can be located in a prior art search and cited against later filed patent applications. If a patent application is deemed to be prior art and it is published or issued, it is to be cited against the later filed application in essentially the same manner as is used presently at the U.S. Patent Office for references under 35 U.S.C. § 102(e). However, if a pending  
25 application is deemed to be prior art and it is not yet published or issued, the Patent Office would not be permitted to cite that application as prior art without some affirmative action on the part of the patent applicant.

Rather, the Patent Office would have to notify the applicant that it has determined that the applicant's pending, unpublished application is potentially relevant prior art against a third  
30 party's pending application and provide the applicant with a time period of, for example, three months, within which the applicant would have to approve publication of the application in

order for it to be applied as prior art against a third party. Since the third party's application would have already been published because publication takes place prior to the initiation of examination, the applicant who has to decide whether to publish to preserve the prior art effect would have access to the third party's published application for the purpose of determining whether publication is desirable. If the applicant decides not to publish, then the pending, unpublished application would be deemed as not being prior art against the third party application.

In another embodiment, if the applicant decides not to publish the pending, unpublished application, then the effective prior art date of the pending, unpublished application, as against all third party applications, would be adjusted to the day after the effective filing date of the third party application against which the Patent Office intended to cite the pending, unpublished application. This would not affect the effective filing date of the patent application when later making a determination of its patentability except that it would be permissible to make a rejection of the earlier filed application based on the later filed third party application to avoid issuing two patents for the same subject matter, i.e. a double-patenting type rejection.

Finally, if the Patent Office were to miss an earlier filed patent application during the prior art search, the applicant would be provided with a period after the grant of a patent based on a later filed patent application of a third party to object and have his earlier filed application applied as prior art against the patent granted on the later filed application of the third party. This could be accomplished in the U.S. Patent system within the current reexamination practice.

Additionally, in a preferred embodiment, for those patent applicants who elect to publish their applications at eighteen months from the effective filing date, which is often much too brief a period to develop inventions to their full commercial potential, a blanket exemption would be given precluding use of that publication for an additional eighteen months as prior art against subsequent related applications by the same applicant.

All of the additional costs beyond the \$75 filing fee in the patent examination method of the invention would be incurred entirely at the option of applicants who can elect to incur them only if the perceived commercial benefit justified doing so. Therefore, none of the above fee increases would be perceived as a burden to applicants, but rather they would be perceived as providing valuable new options.

As one potential transition measure to reduce any potential funding shortfall or effects of overstaffing, the periods of response to office actions and extension periods can be simply increased in phases, such as doubled in the first year, then doubled again in the second year, doubled yet again in the third year, and so on, until no extension is required for response.

5 This phased type of change could be tailored to make the transition to the new system more gradual thereby minimizing the immediate fiscal and staffing impact of a complete changeover at one time.

The improvements described above are tailored specifically for the USPTO, but they can also be implemented in any other utility patent application examination system elsewhere  
10 in the world. In the interests of harmonizing patent laws world-wide that are fairly balanced for all parties and that provide world-wide a level of economic innovation and prosperity like that of the United States of America, such changes can be implemented in the form of an International Treaty. The same approach to applicant or patent holder initiated deferment of utility patent application examination can be used outside the U.S. by other national, regional,  
15 and international or other authorities, since many of their examination systems generally initiate the examination process early in the fixed patent term, i.e. the first 1-5 years, like in the United States.

The foregoing discussion has been presented for the purpose of illustration and description only and is not to be construed as limiting the scope of the invention in any way.  
20 The scope of the invention is to be determined from the claims appended hereto.

What is claimed is:

1. A method for processing patent applications in a patent system having a fixed patent term extending from an effective filing date of a patent application, said method comprising the steps of:
  - 5 accepting a patent application from a patent applicant for filing,  
assigning the effective filing date to the accepted patent application,  
deferring examination of the patent application until a request for examination is made  
by the patent applicant, and  
initiation of examination of the patent application responsive to the patent applicant's  
10 request for examination,  
wherein the patent applicant may elect to defer examination of the patent application for  
substantially the entire fixed patent term.
2. A method as claimed in claim 1, wherein conducting a prior art search is a step in the  
15 examination of the patent application which may be deferred by the patent applicant.
3. A method as claimed in claim 2, wherein the prior art search and the substantive  
examination of the patent application may be initiated independently of one another at the  
discretion of the patent applicant.  
20
4. A method as claimed in claim 1, further comprising the steps of:
  - fixing a publication term within which the patent application should be published,  
publishing the patent application at the request of the patent applicant at any time during  
the fixed patent term, and  
25 - reducing one or more rights conferred by a patent granted on the patent application if the  
patent applicant elects to cause publication of the patent application outside the fixed  
publication term.
5. A method as claimed in claim 1, further comprising the step of:
  - 30 examining the patent application,  
wherein in said examining step, one or more steps to carry out the examination step is

conducted within a shortened period upon a request and payment of a fee by the applicant, said shortened period being shorter than a period for carrying out a comparable step in the examination process without such a request and fee payment.

5 6. A method as claimed in claim 5, wherein conducting a prior art search is a step in the examination of the patent application which may be conducted within a shortened period upon a request and payment of a fee by the applicant.

7. A method as claimed in claim 1, further comprising the step of:  
10 examining the patent application,  
wherein in said examining step, one or more steps to carry out the examination step may be carried out in a special manner involving the provision of additional service at the discretion of the patent applicant upon the making of a request and the payment of a fee.

15 8. A method as claimed in claim 7, wherein conducting a prior art search is a step in the examination of the patent application which may be carried out in a special manner involving the provision of additional service upon a request and payment of a fee by the applicant.

9. A method for processing patent applications in a patent system having a fixed patent  
20 term extending from an effective filing date of a patent application, said method comprising the steps of:

accepting a patent application from a patent applicant for filing,  
assigning the effective filing date to the accepted patent application, and  
examining the patent application,

25 wherein in said examining step, one or more steps to carry out the examination step is conducted within a shortened period upon a request and payment of a fee by the applicant, said shortened period being shorter than a period for carrying out a comparable step in the examination process without such a request and fee payment.

30 10. A method as claimed in claim 9, wherein conducting a prior art search is a step in the examination of the patent application which may be conducted within a shortened period upon a

request and payment of a fee by the applicant.

11. A method as claimed in claim 10, further comprising the steps of:

fixing a publication term within which the patent application should be published,

5 publishing the patent application at the request of the patent applicant at any time during the fixed patent term, and

reducing one or more rights conferred by a patent granted on the patent application if the patent applicant elects to cause publication of the patent application outside the fixed publication term.

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12.. A method for processing patent applications in a patent system having a fixed patent term extending from an effective filing date of a patent application, said method comprising the steps of:

accepting a patent application from a patent applicant for filing,

15 assigning the effective filing date to the accepted patent application,

fixing a publication term within which the patent application should be published,

publishing the patent application at the request of the patent applicant at any time during the fixed patent term, and

20 reducing one or more rights conferred by a patent granted on the patent application if the patent applicant elects to cause publication of the patent application outside the fixed publication term.

13. A method as claimed in claim 12, wherein the fixed patent term is reduced if the patent applicant elects to cause publication of the patent application outside the fixed publication term.

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14. A method as claimed in claim 12, wherein the published patent application cannot be used against other patent applications of the patent applicant for a fixed time period after publication if the patent applicant elects to publish the patent application with the fixed publication term.

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15. A method as claimed in claim 12, wherein the patent application cannot be used against

a patent application of a third party having a later effective filing date than the assigned effective filing date of the patent application if the patent applicant elects not to publish the patent application within a fixed time period.

5 16. A method as claimed in claim 15, wherein the fixed time period comprises the fixed publication term and another later fixed time period.

17. A method as claimed in claim 16, wherein the third party patent application having a later effective filing date than the patent application can be used to reject the patent application  
10 during examination if the patent applicant elected not to publish the patent application within the fixed publication term or within the later fixed time period.

18. A method as claimed in claim 12, wherein if the patent applicant does not elect to have the patent application published within the fixed publication term, the patent application is  
15 deemed abandoned.

Figure 1

