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Subject: National Association of Patent Practitioners (NAPP) Comments re: P3 Program

USPTO:

Attached please find the comments of the National Association of Patent Practitioners (NAPP) regarding the Post-Prosecution Pilot (P3) Program, in response to Docket No. PTO-P-2016-0012.

Sincerely,

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**COMMENTS TO THE USPTO
ON POST-PROSECUTION PILOT (P3) PROGRAM**

Submitted by:

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November 14, 2016

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Re: Docket No. PTO-P-2016-0012

DESCRIPTION OF COMMENTING PARTY

The National Association of Patent Practitioners (NAPP) is a nonprofit trade association for patent agents and patent attorneys. NAPP has approximately 400 members in the US and various foreign countries. The practices of the practitioner members are focused primarily on patent prosecution, namely practice before the USPTO. As part of NAPP's mission, we aim to create a collective nationwide voice to address issues relating to patent-prosecution practice. Additional information about NAPP can be found at <http://www.napp.org>.

The following comments are submitted in an effort to assist the United States Patent & Trademark Office (USPTO) in its consideration of the Post-Prosecution Pilot (P3) Program, in accordance with the request for public comment published in the Federal Register at 81 Fed. Reg. 44845 (July 11, 2016).

NAPP welcomes this opportunity to assist and hopes that the USPTO will seriously consider the suggestions. NAPP is available to answer questions, comment further (formally or informally), or assist any other way considered useful. Please contact us at 919-230-9635.

NAPP COMMENTS

Program Description:

NAPP recognizes the efforts of the USPTO in developing the Post-Prosecution Pilot (P3) Program to provide an additional opportunity to advance examination and prosecution of pending applications, and an option that may the initiation of the appeal process.

The Post-Prosecution Pilot (P3) Program is currently available as a new option for applicants following the issuance of a final office action. The program is initiated using Form PTO/SB/444 (“Certification and Request for Consideration Under the Post-Prosecution Program (P3)”), along with a written brief up to five pages. Qualifying enrollment requests result in the assembly of a three-member panel of USPTO personnel, including the examiner, the examiner’s supervising patent examiner (SPE), and another primary examiner of the same art unit. The program concludes with a panel decision as to the merit of the final office action, presented as USPTO Form PTO-2324 (“Notice of Decision from Post-Prosecution Pilot Program (P3) Conference”).

As described above, the P3 Program closely resembles the concurrently available Pre-Appeal Review (PAR) Program, as noted by the following similarities:

- The similarity of USPTO Form PTO/SB/444 and corresponding USPTO Form PTO/AIA/33 used to initiate the PAR Program;
- The identical requirements of the briefs submitted in support of each request;
- The identical composition of the review panel for both programs; and
- The similarity of USPTO Form PTO-2324 and corresponding USPTO Form PTO-2297 used to report the results of the PAR panel.

However, notable differences exist between the P3 Program and the PAR Program:

- The P3 Program does not require the current filing of a Notice of Appeal, and does not place the application on track for review by the Patent Trial and Appeal Board (PTAB).
- The P3 Program does not require the payment of a fee, in contrast with the fees required to invoke the PAR Program (currently \$800 with small- and micro-entity discounts).
- The P3 Program must be initiated within two months of a Final Office Action, while the PAR Program is available whenever a Notice of Appeal is acceptable (*i.e.*, at any stage where the application has been “twice rejected,” and within any time period while the application is pending).
- The P3 Program entitles the applicant to a 20-minute oral presentation, in the presence of the P3 review panel, with additional time afforded for questions by and at the discretion of the panel.

Additionally, the P3 Program is only available as a pilot program, and is therefore limited in both time (valid requests for enrollment must be received no later than January 11, 2017) and quantity (capped at 1,600 total compliant requests, which are further subdivided into 200 compliant requests in each of the eight identified technology centers). As of the date of this comment, TC 3700 and TC 3700 have reached capacity, and several other TCs are nearing capacity.

NAPP members have enrolled a significant number of applications in the P3 Program, and have submitted briefs and participated in conferences in support thereof. The following remarks are presented as the collective observations of the NAPP community regarding the P3 program.

Observation #1: Availability of Program

NAPP submits that the P3 Program is a well-designed initiative that provides an additional means of advancing the examination and prosecution of pending applications, to the advantage of both applicants and the USPTO.

In its current design, the P3 Program fills a previously vacant point in the review process. In many scenarios, the applicant and examiner may reach a stalemate over the adequacy of the *prima facie* case for rejection; the interpretation of the claims; and/or the technical teachings of the references. Other options for involving other USPTO personnel are either informal and discretionary, such as requesting an interview in the presence of the examiner's supervisor, or contingent upon the invocation of the formal appeal process. The P3 Program is targeted between these levels of review as both an escalation beyond the sole review of the examiner, and yet also a precursor to the formal appeal process.

The formulation of the P3 Program as an intermediary stage of review is likely to avoid, in some cases, the necessity of appeal to the Patent Trial and Appeal Board (PTAB). Such avoidance may occur (a) when the P3 review panel persuades the applicant that the final office action is well-founded, prompting the applicant to file a Request for Continued Examination or to choose abandonment instead of initiating an appeal; and (b) when the applicant persuades the P3 review panel that the final office action is so deficient that it is likely to fail on appeal, prompting the P3 review panel to reopen prosecution.

Even in cases where neither side is so persuaded, the P3 Program may leave each party better informed as to the other's arguments. As a result, even if appeal cannot be avoided, the applicant may present arguments that are more directly responsive to those of the examiner, and *vice versa*.

NAPP therefore believes that the P3 Program is targeted at a timely point in the examination timeline, and that its availability benefits both the USPTO and applicants. NAPP therefore encourages the USPTO to extend the P3 Program, in preparation for establishment as a permanent option in the repertoire of the applicant for advancing prosecution.

Observation #2: No-Fee Status

NAPP submits that the current status of the program as a no-fee program is appropriate for at least two reasons.

First, the no-fee status of the P3 Program reduces the cost barrier of invoking the program. At the stage of a final office action, applicants are faced with two options with significant fees: filing a Request for Continued Examination (currently \$1,200 / \$1,700 with small- and micro-entity discounts), or filing a Notice of Appeal (currently \$800, and potentially reaching \$4,100 for a board decision with an oral hearing, again with small- and micro-entity discounts). Attaching an additional fee to the P3 Program, likely as a precursor to one of these other two options, may present such an escalated cost at the final draft stage that many applicants may be hesitant and/or unable to utilize it.

Second, the no-fee status of the P3 Program reflects the significant benefit to the USPTO in fostering an in-depth review at the final rejection stage, with an eye toward reducing applicants' invocation of the appeal process. Appeals are an administratively heavy process for the USPTO, requiring the involvement of the examiner and supervisor in writing and reviewing appeal briefs and a complete review of the application by a panel of three federal judges, as well as a completely separate docketing and scheduling process. It is in the USPTO's interest to conserve the use of the appeal process, and to promote its use only for difficult cases that require this extensive level of review. The USPTO therefore derives significant economy from the alleviation of pressure on the appeal process, as per the objective of the P3 Program.

For at least these reasons, NAPP believes that the no-fee nature of the P3 Program is well-chosen (albeit the cost issue noted below).

Observation #3: Undue Enrollment Timing Restriction

NAPP submits that the P3 Program, in its pilot formulation, exhibits a deficiency relating to its timing restriction for enrollment requests.

As noted above, the P3 Program is available only if an enrollment request is filed within a specific timing window: within two months of the notification date of a final office action. Accordingly, the P3 Program is unavailable in response to a non-final office action, as well as in response to final rejections beyond the two-month window.

This timing constraint is puzzling, because at these stages of examination, the applicant is entitled to file a Notice of Appeal and initiate the appeal process. If the P3 Program is designed to reduce reliance on the appeal process, it is unclear why the P3 Process is not coextensive with applicants' opportunities to appeal.

Recommendation: NAPP recommends an expansion of the timing under which a P3 Program enrollment request is considered timely filed to match applicants' opportunities to file a Notice of Appeal.

Observation #4: P3 Panel Conference Context

NAPP submits that the P3 Program, in its pilot formulation, exhibits a deficiency relating to the participation of the P3 panel in the P3 conference.

The P3 conference affords the applicant 20 minutes to present arguments to the P3 panel, with additional time for further interaction at the sole discretion of the P3 panel. Following the presentation of arguments, the applicant is dismissed in order to allow the P3 panel to convene and discuss the presented arguments in order to facilitate a consensus for the P3 panel decision.

Despite this well-defined process, the Federal Register notice provides no context for the P3 conference. As such, different P3 panelists may approach the P3 conference with different objectives, which may guide their participation in the P3 conference.

NAPP has observed several different contexts in which P3 panels choose to participate in the P3 conference, such as the following:

1) Holistically advancing prosecution.

Some panelists enthusiastically participate in the P3 conference with a clear goal of maximally advancing the prosecution of the application. These panelists ask questions of the applicant to clarify the invention; thoroughly consider the invention and the technical content of the references to identify allowable subject matter, as well as opportunities to clarify the claims; and acknowledge deficiencies in the references and final rejection that must be addressed in ongoing examination.

These P3 conferences provide the greatest value to all participants, and, in some cases, may enable an immediate notice of allowance with or without claim amendments. These P3 conferences should be identified as “best practices,” and encouraged as most closely reflecting the objectives of the P3 program, including reducing the necessity of appeals.

2) Discouraging appeals, and encouraging the applicant to file a Request for Continued Examination.

Some panelists seem to participate in the P3 conference with an objective of mounting a defense of the final office action. These panelists are willing to discuss and understand the disclosed invention, the presented claims, and the references. However, the panelists seem reluctant to acknowledge any deficiency in the rejection, even if such deficiencies have no meaningful defense, and unwilling to explain why the references are deficient. Instead, the panelists seem most interested in proposing claim amendments that the panelists feel will improve (and typically narrow) the claims – irrespective of whether the rejection is sufficient to compel any such amendments. The panelists seem primarily motivated to persuade the applicant to file an RCE – thereby avoiding both the appeal process and any prospect of reopening prosecution.

These P3 conferences are less productive, as the applicant and panelists may end up “talking past each other”: the applicant focuses on perceived deficiencies in the final rejection, *while* the panelists focus on perceived deficiencies in the claims. Less progress is achieved than if the participants work together to identify the most appropriate next steps, irrespective of any desired outcome.

These P3 conferences are also less effective at avoiding appeals: applicants may perceive that their arguments about the deficiency of the *prima facie* rejection are not being duly considered. This outcome is particularly likely in response to the first final rejection, since filing an RCE curtails any following patent term extension or adjustment, while forcing a reopening of prosecution through the appeal process preserves such patent term.

- 3) Previewing the arguments that the applicant may present on appeal, and/or meeting the minimum requirements of the P3 program.

Some panelists participate in the P3 conference with the sole objective of receiving information about the applicant’s position. These panelists ask no questions about the applicant’s argument, nor offer any opinions about such arguments or the prognosis of the application. These panelists may also issue a decision upholding the rejection without further comment.

These P3 conferences present the least value to the participants. On the one hand, the P3 panel may be able to receive and consider the applicant’s arguments, and therefore make an informed decision of whether to uphold or vacate the final rejection. However, the applicant receives no information about the counter-arguments of the panel – and, conversely, the panel receives no information about the merit of its counter-arguments, such as may eventually be filed in the Applicant’s Reply to the Examiner’s Answer during the appeal process. Indeed, at worst, these P3 panelists convey the impression of engaging in the P3 process merely to fulfill the administrative obligation.

These P3 conferences provide the least value in terms of avoiding appeals. Indeed, appeals are more likely following these conferences if the applicant feels that the panel, including the examiner and the examiner’s SPE, are simply not willing to give due consideration to the applicant’s arguments.

Despite the wide variance in the tone of the conversation and the likely outcomes, all three contexts meet the minimum requirements of the P3 Program. This variance reflects the absence of any defined objectives that the panelists should pursue during the P3 conference.

Recommendation: NAPP recommends the development of P3 conference training materials to identify P3 panel “best practices” as to the objectives of the P3 Program. NAPP also recommends that the USPTO, during its review of the effectiveness of the P3 Program following its completion, consider the apparent objectives of respective art units in engaging in P3 conferences (as expressed in the P3 Conference Decision Form), as well as the resulting outcomes of examination following the completion of the program, such as the appeal rate of enrolled cases following the conference.

Observation #5: P3 Conference Decision Form

NAPP submits that the P3 Program, in its pilot formulation, exhibits a deficiency relating to USPTO Form PTO-2324, whereby the P3 panel reports its decision.

PTO-2324 is a one-page form with checkboxes for the panel to report its decision: checkbox #1 (final rejection upheld); checkbox #2 (allowable application); and checkbox #3 (reopen prosecution).

PTO-2324 also provides checkbox #4 reading: “Explanation of Decision for Boxes 1-3,” with a 3.2-centimeter line for comments, and checkbox #5 indicating the presence of attachments. The Federal Register notice provides nothing with respect to these options, which thus appear to be completely optional and at the discretion of the P3 panel.

These latter portions of USPTO Form PTO-2324 are deficient, for two reasons:

- 1) Checkbox #4 is unsuitable for any significant purpose. The 3.2-centimeter line is barely suitable for the words: “Rejection Upheld,” or any explanation more than a few words. Every instance of a meaningful explanation of the P3 panel decision will be included as an attachment, as per checkbox #5.
- 2) More importantly, the absence of any requirement for the P3 panel to provide an explanation of its decision is contrary to the central objective of the P3 Program.

It is presumed that most (if not all) applicants who invoke the P3 Program believe that their arguments are sufficient to traverse the basis of the final rejection. Moreover, such arguments are formulated in response to the rationale of the final rejection, and possibly intended for filing in an appeal brief if necessary. If a P3 panel chooses to maintain the final rejection, and yet provides no explanation of its decision or meaningful response to the applicant’s arguments, the applicant is left with no meaningful explanation of why the P3 panel deems such arguments to be unpersuasive – nor any preview of the content of an Examiner’s Answer filed in response to such arguments in an appeal. From the applicant’s perspective, no progress has been achieved through the P3 Program.

The absence of a requirement for an explanation of the P3 panel decision is additionally puzzling in view of the USPTO’s “Pillar” entitled “Clarify of the Record,” which establishes an objective of capturing “an official record [of patent examination] that is unambiguous and clear,” and that explicitly includes “memorializing the oral record” as to the USPTO’s decisions. The USPTO’s earnest efforts to document the examination process run counter to the absence of any requisite explanation by the P3 panel for its critical decision following the P3 conference, and the ultimate outcome of the program.

Recommendation: NAPP recommends (1) the removal of checkbox #4, and (2) a rule that any decision to maintain a rejection must be accompanied by an attachment summarizing the presented arguments, and a detailed rationale of the P3 panel to maintain the rejection in spite of the presented arguments.

Observation #6: Extension Fee Penalty

NAPP submits that the P3 Program, in its pilot formulation, exhibits a deficiency relating to the opportunity for the applicant to respond to the P3 review panel decision.

When the P3 panel opts to maintain the final rejection, the panel expresses its decision in PTOL-2324, which provides:

The time period for filing a response expires on (1) the mailing date of this decision; or (2) the date set forth in the final rejection, whichever is later.

When this process concludes well in advance of the ordinary three-month response period for the final rejection, the applicant has ample time to choose and act on the RCE-or-appeal decision.

However, when the process concludes near or after the ordinary response period, the applicant can only avoid extension fees if initiating further action on the same day that the P3 panel decision issues. Failing to do so – even taking action on the day following the P3 decision – causes the applicant to incur a one-month extension of time fee, with further extension fees required if more than one month is required to respond to the panel decision.

This circumstance is exacerbated by two factors:

- 1) Applicants are not typically notified of office actions on the notification date. While such prompt notice may be available in some cases (*e.g.*, those who have enrolled in the e-Office Action Program), but on the whole, applicants are often not notified of newly issued office actions for days or even weeks following the issuance of same. Therefore, by the time many applicants learn of the issuance of the P3 panel decision, a one-month extension-of-time fee is already due.
- 2) As noted previously, an applicant that receives a P3 panel decision upholding the final office action is faced with the difficult choice of filing a Request for Continued Examination (including a complete reply to the Final Office Action) and a filing a Notice of Appeal. Requiring applicants to review the P3 conference decision, make the decision, and issue the appropriate response on the notification date of the panel decision is an unreasonable burden. Such timeliness is even less reasonable in cases where P3 panel decisions are issued toward the end of the business day, or even after the close of business. Applicants in foreign countries, such as the European Union, are at an almost insurmountable timing disadvantage in this circumstance due to the time difference.

(Defense of this timing may suggest that applicants could prepare for this outcome by making the decision in advance, and being ready to act if a decision to maintain the rejection issues. However, such suggestions impose an unreasonable burden on the applicant: if the panel chooses instead to reopen prosecution, all such preparatory work is for naught.)

Extension-of-time fees are intended to penalize applicants for undue delay: taking more than three months to respond to an office action, or taking more than one month to respond to a restriction requirement. It is therefore inappropriate to assess a one-month extension of time to applicants who enroll in the P3 Program, and then respond in a timely manner (*e.g.*, within one month of the notification date).

It is notable that the established timing for responding to a P3 panel decision diverges from the timing for responding to a PAR panel decision, which provides:

The time period for filing an appeal brief will be reset to be one month from mailing this decision, or the balance of the two-month time period running from the receipt of the notice of appeal, whichever is greater.

Instead, the established timing for responding to a P3 panel decision mirrors the timing for after-final reply practice, which places the applicant in the same position. It is submitted that after-final reply practice is similarly deficient and in need of revision, for the same reasons as noted above.

Recommendation: NAPP recommends a reformulation of the response period for replying to a P3 panel decision to provide at least one month from the notification date of the P3 panel decision or the date provided in the final office action, whichever is greater. This change will reduce the unfair penalty of extension-of-time fees against applicants who respond to the P3 panel decision in a timely manner.

Observation #7: Six-Month Statutory Reply Period

NAPP submits that the P3 Program, in its pilot formulation, exhibits a deficiency relating to maintaining the six-month statutory reply period for responding to the final office action.

The Federal Register notice of the P3 Program includes the following cautionary statement:

It is critical for P3 participants to understand that the filing of a P3 request will not toll the six-month statutory period for reply to the final rejection. To avoid abandonment, further action, such as the filing of a notice of appeal or RCE, will need to be taken within the six-month statutory period for responding to the final rejection, unless the applicant receives written notice from the Office that the application has been allowed or that prosecution is being reopened.

However, the mechanics of the P3 Program are difficult to square with this hard timing requirement, for the following reason.

The P3 Program requires applicants to initiate the P3 enrollment request within two months of the final office action, including averring to a statement (included in PTO/SB/444) certifying the applicant's willingness and availability to participate in a P3 conference. The Federal Register notice also explicitly states that if the applicant is unable or unwilling to schedule and complete

the P3 conference in a timely manner, the enrollment request is deemed improper and accordingly dismissed.

On the other hand, if the P3 Program is properly invoked and completed in a timely manner, the applicant will have most of the balance of the statutory reply period to take further action. For example, if the application is enrolled on the two-month date and the P3 panel decision issues on the three-month date that maintains the rejection, the applicant is afforded a full three months (albeit subject to extension fees) to file an RCE or Notice of Appeal.

In view of these factors, only one circumstance exists in which an application enrolled in the P3 Program is jeopardized by the six-month statutory reply period: *i.e.*, when the panel decision is not issued in a timely manner. That is, the six-month statutory reply period imposes a threat of abandonment to P3-enrolled cases solely on account of an undue delay by the P3 panel in issuing its decision.

Moreover, if the applicant is compelled to act before the panel issues its decision, such action is deemed to be responsive to the final office action – and is subject to extension-of-time fees relative to the final office action.

The totality of these factors gives rise to a troubling scenario. An applicant may enroll an application in the P3 Program, may schedule and complete the P3 conference – and, yet, may fail to receive a decision for several months thereafter. The applicant has no means of predicting when the panel decision may issue, and no means of compelling a decision. As the deadline for the statutory six-month reply period looms, the applicant is faced with either continuing to wait – even up to the final day of the reply period – or of filing a Request for Continued Examination or Notice of Appeal prior to receiving any such decision. In the latter case, the applicant is assessed a three-month extension of time – currently \$1,400 (with small- and micro-entity discounts) – solely because of the interminable delay of the P3 panel in issuing its decision.

NAPP is unaware of any circumstances in which this scenario has come to pass. NAPP also perceives that P3 panels are generally prompt in issuing P3 panel decisions (*e.g.*, out of five P3 conferences conducted, the P3 panel decision has typically issued within one month, and at most two months). Nevertheless, the opportunity exists for P3-enrolled cases to fall within this “limbo” state, at no fault of the applicant.

Finally, it is noted that the Federal Register notice fails to set forth a time frame in which the P3 panel decision is due following the P3 conference. NAPP appreciates that this absence may reflect the difficult choice that the P3 panel may face following the conference, *i.e.*, whether to maintain the rejection, reopen prosecution, or allow the application – particularly if the panelists disagree – and that the absence of a defined time frame for the P3 panel decision may afford an opportunity to reach a consensus. However, the absence of any recourse for the applicant to avoid this circumstance – such as a lengthy but defined time period; an automatic extension of the six-month statutory period; or a default notice sent by the USPTO if a panel decision is not timely issued – is a serious deficiency in this pilot formulation of the P3 Program.



Recommendation: NAPP recommends (1) the addition of a rule that defines a due date for the P3 panel decision following the completion of a P3 conference, and (2) the addition of a rule granting the applicant a reasonable time period to respond, without an extension fee, if a P3 panel decision is not issued by the defined due date.

Conclusion:

NAPP thanks the Patent Office for soliciting comment of the Post-Prosecution Pilot (P3) Program, and hopes that the above recommendations are helpful in reviewing and reformulating the program for future use.