

From: Melanie Brown
Sent: Friday, August 20, 2010 4:04 PM
To: 3-tracks comments
Cc: Bernard Lau; Anne G Sabourin; Fernando A Borrego; Patricia A Mcdaniels
Subject: Enhanced Examination Timing Control Initiative

Dear Robert A. Clarke,

Attached please find comments from BASF Corporation on the Enhanced Examination Timing Control Initiative. Thank you for the opportunity to provide these comments.

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David Kappos
Undersecretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
United States Patent Office
Alexandria, Virginia
Via e-mail to 3trackscomments@uspto.gov

August 20, 2010

RE: Request for Comments on Enhanced Examination Timing Control Initiative

Dear Director Kappos,

BASF Corporation, headquartered in Florham Park, New Jersey, is the North American affiliate of BASF SE, Ludwigshafen, Germany. BASF Corporation and BASF SE will be collectively referred to as BASF in this letter. BASF is the world's leading chemical company, and has a portfolio ranging from chemicals, plastics and performance products to agricultural products, fine chemicals and oil and gas. As a reliable partner, BASF uses its innovation to help its customers in virtually all industries to be more successful. With its high-value products and intelligent solutions, BASF plays an important role in finding answers to global challenges such as climate protection, energy efficiency, nutrition, and mobility.

BASF files more than 1,000 patent applications per year with the United States Patent and Trademark Office and currently has over 10,000 pending published unexamined US patent applications. Further, BASF has close to 1,000 pending US trademark applications and registrations. Due to its large US patent and trademark estate, BASF appreciates the opportunity to provide these comments on the Enhanced Examination Timing Control Initiative.

BASF applauds this USPTO initiative allowing customers to select their desired examination speed. BASF also supports the USPTO's efforts to share work product between various patent offices as increasing efficiency as long as such sharing does not negatively impact the speed of US prosecution or US patent term or violate any laws.

1. *Should the PTO proceed with any efforts to enhance applicant control of the timing of examination?* Yes the PTO should proceed with efforts to enhance applicant control of the timing of patent examination. BASF is in favor of the three track system that includes Track I) expedited exam based on this proposal with payment of a fee; expedited exam based on green technology;

or accelerated examination as currently provided; Track II) regular examination; and Track III) deferred examination.

Track I should be available to all applications regardless of the origin of the priority case. To do otherwise would encourage “gaming” the system by filing multiple priority cases, or retaliation by foreign patent offices. The fee for expedited exam should not be prohibitive and should be used to support the additional resources needed for expedited examination.

Track II should not result in slower examination of regular pending cases. Resources required for examination of these cases should not be reallocated to the expedited examination cases.

Track III should allow deferred examination for a period of 30 months from the priority date of the U.S. utility case or the entry of the case into the National Phase in the USPTO. There is no need to have the 30 month process run concurrent with the 30 month term of the PCT application. In some instances it is beneficial to have the additional time to defer examination.

2. *Are the three tracks above the most important tracks for innovators?* BASF agrees that these three tracks are adequate and cover the needs of most innovators. BASF supports the continued availability of the PPH to applicants as an alternative route for examination, where the applicant determines this route would be advantageous.

3. *Taking into account possible efficiency concerns associated with providing too many examination tracks, should more than three tracks be provided?* More than three tracks would probably not be beneficial and may be complicated to administer in the office and further delay resolving patentability and providing the public with information upon which to make business decisions. More than three tracks would also make it challenging to allocate personnel resources at the PTO for examining the applications. However, if the PPH is considered a “track” then this option should still be available to applicants as an alternative route for examination, where the applicant determines this route would be advantageous.

4. *Do you support the USPTO creating a single queue for examination of all applications accelerated or prioritized (e.g., any application granted special status or any prioritized application under this proposal)?* This would place applications made special under the “green” technology initiative, the accelerated examination procedure and this proposal in a single queue. For this question assume that a harmonized track would permit the USPTO to provide more refined and up-to-date statistics on performance within this track. This would allow users to have a good estimate on when an application would be examined if the applicant requested prioritized examination.

All prioritized applications should be placed in a single queue. BASF agrees that the harmonized accelerated track would allow better status tracking and give an applicant more certainty with regard to timing of examination and disposition of the application.

5. *Should an applicant who requested prioritized examination of an application prior to filing of a request for continued examination (RCE) be required to request prioritized examination and pay the required fee again on filing of an RCE?* For this question assume that the fee for prioritized examination would need to be increased above the current RCE fee to make sure that sufficient resources are available to avoid pendency increases of the non-prioritized applications.

An applicant should not have to pay a prioritization fee upon filing of an RCE. The application should be treated as a single application for this purpose, as the RCE is being filed to dispose of the original application. A higher initial fee would be preferable to paying twice to have the examination expedited.

6. *Should prioritized examination be available at any time during examination or appeal to the Board of Patent Appeals and Interferences (BPAI)?* BASF can think of no reason not to make prioritized examination under Track I available to all applicants at any time during examination or appeal to the BPAI, provided such applicant meets all other requirements set out for Track I (including the payment of fees) and provided that the USPTO can provide adequate resources to meet the expedited examination timing goals.

7. *Should the number of claims permitted in a prioritized application be limited? What should the limit be?* To facilitate the USPTO's goal of reducing the pendency of all patent applications, it would seem logical to set some reasonable limit on the total number of claims in any prioritized application under Track I. On the other hand, if an applicant pays the fees set for total claims above 20 and independent claims above 3, such supplemental fees paid by the applicant would support the additional resources required for examination of the application having increased claims. If a limit is set, it should be set higher than the 3 and 20 allowed for the basic filing fee.

8. *Should other requirements for use of the prioritized track be considered, such as limiting the use of extensions of time?* The setting of such additional requirements would on its face appear to be punitive in nature; however, if an applicant makes a deliberate decision to enter such prioritized examination under Track I, requiring the applicant to do whatever it can to keep the main objective of examination under Track I (i.e., quicker resolution of applicants' patent applications) intact would be reasonable. Such additional requirement should not be penal in nature.

9. *Should prioritized applications be published as patent application publications shortly after the request for prioritization is granted? How often would this option be chosen?* Prioritized applications should not be published before the typical 18-month publication timing.

10. *Should the USPTO provide an applicant-controlled up to 30-month queue prior to docketing for examination as an option for non-continuing applications? How often would this option be chosen?* Yes, such 30-month queue should be provided. BASF would support same for any application at essentially any time, provided no patent term adjustment was tolled against any such delay in examination.

11. *Should eighteen-month patent application publication be required for any application in which the 30-month queue is requested?* Such applications should publish in the normal course just as applications do under the present system.

12. *Should the patent term adjustment (PTA) offset applied to applicant-requested delay be limited to the delay beyond the aggregate USPTO pendency to a first Office Action on the*

merits (Track III)? Yes. BASF supports a patent term offset due to applicant-caused or applicant-requested delay and notes that 35 USC 154(c) would have to be amended accordingly.

13. *Should the USPTO suspend prosecution of non-continuing, non-USPTO first-filed applications to await submission of the search report and first action on the merits by the foreign office and reply in USPTO format?* Since this suspension proposal applies to non-USPTO first-filed applications and does not appear to apply to USPTO first-filed applications, this suspension proposal violates Paris Convention Article 2(1) and thus BASF does not support it. Instead, BASF supports revising Track I to permit non-USPTO first-filed applications to request prioritized examination upon applicant's request and fee payment similar to the current Track I proposal for USPTO first-filed applications. BASF also supports revising Track II so that prior-filed foreign applications will be processed traditionally. The basic concept of the Paris Convention is that a member's priority application in its home country is accorded the same effect as if it were filed in the U.S. The statutory regime is based upon and guarantees this "same effect" principle. Thus, the USPTO proposal treats the member countries that have acceded to the PC in a discriminating fashion, and one violative of Paris Convention Article 2(1).

14. *Should the PTA accrued during a suspension of prosecution to await the foreign action and reply be offset? If so, should that offset be linked to the period beyond average current backlogs to first Office action on the merits in the traditional queue?* If this PTA offset is due to prosecution suspension of non-USPTO first-filed applications only, BASF cannot support it.

15. *Should a reply to the office of first filing office action, filed in the counterpart application filed at the USPTO as if it were a reply to a USPTO Office Action, be required prior to USPTO examination of the counterpart application?* Again, if this proposal is limited to non-USPTO first-filed applications only, BASF cannot support it.

16. *Should the requirement to delay USPTO examination pending the provision of a copy of the search report, first action from the office of first filing and an appropriate reply to the office of first filing office action be limited to where the office of first filing has qualified as an International Searching Authority?* If this requirement is limited to non-USPTO first-filed applications only, BASF cannot support it.

17. *Should the requirement to provide a copy of the search report, first action from the office of the first filing and an appropriate reply to the office of first filing office action in the USPTO application be limited to where the USPTO application will be published as a patent application publication?* Yes since under 35 USC 122(b)(2)(B)(i) an applicant can only prevent USPTO publication if the patent application has not or will not be filed in a country requiring publication after 18 months.

18. *Should there be a concern that many applicants that currently file first in another office would file first at the USPTO to avoid the delay and requirements proposed by this notice? How often would this occur?* BASF assumes that most first non-US filings occur in Europe, Japan, Korea, and China. Because some of these countries require a first filing there if the invention was made there, a significant change in the number of US filings should not occur.

19. *How often do applicants abandon foreign filed applications prior to an action on the merits in the foreign filed application when the foreign filed application is relied upon for foreign priority in a US application? Would applicants expect to increase that number, if the three track proposal is adopted?* Since the current proposals penalize foreign priority, BASF would not expect priority foreign filed applications to be abandoned at a faster rate than the current rate.

20. *Should the national stage of an international application that designated more than the United States be treated as a USPTO first-filed application or a non-USPTO first-filed application, or should it be treated as a continuing application?* If the patent application was published in English, 35 USC §363 dictates that the patent application be treated as a USPTO first-filed application.

21. *Should the USPTO offer supplemental searches by IPGOs as an optional service?* BASF supports the option of having supplemental searches available.

22. *Should the USPTO facilitate the supplemental search system by receiving the request for supplemental search and fee and transmitting the application and fee to the IPGO? Should the USPTO merely provide criteria for applicant to seek supplemental searches directly from the IPGO?* BASF supports having the USPTO facilitate the supplemental search system.

23. *Would supplemental searches be more likely to be requested in certain technologies? If so, which ones and how often?* In our opinion, it is likely that supplemental searches would be more likely to be requested in technologies such as biotech and technologies that are in a “crowded art”.

24. *Which IPGO should be expected to be in high demand for providing the service, and by how much? Does this depend on technology?* BASF believes that the EP and maybe KIPO would be popular candidates

25. *Is there a range of fees that would be appropriate to charge for supplemental searches?* It is reasonable to charge a fee for what amounts to work that is additional to that employed in the ordinary course of the examination process; ISA supplemental fee structures currently in existence should be looked to for guidance on an appropriate level.

26. *What level of quality should be expected? Should the USPTO enter into agreements that would require quality assurances of the work performed by the other IPGO?* PCT quality standards, as exercised when the EP is the ISA, should be the quality to strive for. It could be considered presumptuous of the USPTO to require quality assurances as such, but to enter into agreements with IPGOs to assure adherence to the aforementioned PCT standards and to define the metes and bounds of how the searching would be carried out (e.g.: avoid outsourcing that may make quality control measures difficult to employ)

27. *Should the search by required to be conducted based on the U.S. prior art standards? PCT standards should have an appropriate rigor equal to or even greater than what is required in the U.S.*

28. *Should the scope of the search be recorded and transmitted? Yes, a PCT-type of work product would be a good model, e.g.: a search report accompanied by an initial opinion.*

29. *What language should the search report be transmitted in? English*

30. *Should the search report be required in a short period after filing, e.g. within six months of filing? Within 6 months of filing under Track II or within 6 months of accelerated/deferred request for examination.*

31. *How best should access to the application be provided to the IPGO? A search copy should be made available to the IPGO electronically*

32. *How should any inequitable conduct issues be minimized in providing this service? BASF is unclear as to what exactly is meant by this question. We assume that the USPTO wants to have assurance that the search will be carried out accurately in accordance with acceptable searching practices, resulting in consistently high quality searching. The best way to assure this is to work with IPGOs that enjoy a good reputation in this regard. The specter has apparently been raised that in subsequent U.S. patent litigation involving a patent, there may be a charge of inequitable conduct if the prosecuting attorney did not request a supplemental search, vitiating the discretionary nature of the procedure. We cannot think of a way for the USPTO to definitively foreclose this type of argument. Rather, we think that a "reasonable person", or "best practices" standard will develop in accordance with the specific technologies in issue, and applied within the backdrop of each case being litigated.*

33. *Should the USPTO provide a time period for applicants to review and make any appropriate comments or amendments to their application after the supplemental search has been transmitted before preparing the first Office Action on the merits? Applicants should be given a formal period for response, of reasonable length*

Thank you again for inviting comments from the public and considering BASF's comments and suggestions.

Very truly yours,

/Melanie L. Brown/
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Assistant General Counsel

cc: Anne Sabourin, Esq.
Fernando Borrego, Esq.
Patricia McDaniels, Esq.
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