

From:
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To: 3-tracks comments
Subject: Three Track Proposal

As a foreign Patent Attorney I submit some comments on the three track proposals. These comments are my personal ones and ascribable to no organisation.

The three track proposals appear to risk running into the law of unintended consequences – http://en.wikipedia.org/wiki/Unintended_consequences - and not in a good way.

<<Work sharing and the USPTO three.docx>>

Jim Boff

CPA; EPA; ETMA; C.Chem; C.Sci

Direct Tel +4420 7822 8877

Phillips & Leigh, 5 Pemberton Row, London EC4A 3BA England
Telephone: +4420 7822 8888 - Facsimile: +4420 7822 8899 - Email: mail@pandl.com -
Web site: www.pandl.com

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Work sharing and the USPTO three-track proposal

The concepts of work sharing and work dodging need to be clarified. The new USPTO proposal does little to clarify the situation but is a helpful attempt to consider some (partial) solutions.

The basic proposal

The three track proposal differentiates according to whether a foreign priority is claimed or not.

If no foreign priority is claimed applicant would be able to:

- Request prioritized examination (Track I);
- For non-continuing applications, request a delay lasting up to 30 months in docketing for examination (Track III); or
- Obtain processing under the current procedure (Track II) by not requesting either Track I or Track II.

COMMENT

While Track I and Track II could be considered non-contentious, there will be those who believe that Track III builds in uncertainty into the system. Some will consider Track III as analogous to the delay built in by the PCT, whereas others will point out that under PCT there is normally a search report available at 30 months, which will not be the case with Track III. So long as there is no mechanism for third parties to accelerate the examination of an application, by prompting transfer to Track I or Track II, it is important that as soon as an application comes off Track III it is progressed promptly. Track III should not be permitted to keep competitors uncertain, over applications that may never mature as patents, for any longer than is necessary. The patent system should protect rights, not facilitate wrongs.

If a foreign priority is claimed the application will remain unexamined until the USPTO receives:

- a copy of the search report, if any, and first office action from the foreign office; and
- an appropriate reply to the foreign office action as if the foreign office action was made in the application filed in the USPTO.

Where the foreign office action indicated that the foreign-filed application was allowable, all that would be required for the appropriate reply would be notice to the USPTO.

Where one or more rejections were made in the foreign office action, applicant's reply could include an amendment, but would have to include arguments regarding why the claims in the USPTO-filed application were allowable over the evidence relied upon in the foreign office action.

Following or concurrent with the submission of the foreign office action and reply, applicant may request prioritized examination (Track I) or obtain processing under the current procedure (Track II).

In Tracks I and II, if the U.S. application claims the benefit of a prior filed foreign application, and the relied upon foreign application is abandoned prior to an action on the merits being made available,

applicant must notify the USPTO and request that the application be treated for examination queuing purposes as if the foreign priority claim had not been made.

Similarly, if the office of first filing has a practice of not producing actions on the merits, applicant would need to notify the USPTO that the application should be treated for examination queuing purposes as if the foreign priority claim had not been made.

COMMENT

*This procedure builds in no more delay and uncertainty than Track III **up to** 30 months from priority, and indeed normally will introduce less uncertainty, as frequently, and perhaps usually, a search report and, if applicable, first action on the merits from the OFF will be available.*

*There is the potential for additional delay and uncertainty **after** 30 months from priority if the OFF is one where deferred examination exists, and so mechanisms should be provided to ensure that shortly after 30 months from priority an application claiming foreign priority should be considered as being in Track II unless the applicant requests and can provide information adequate for promotion to Track I. At or shortly after 30 months the applicant should either file the relevant search report and, if applicable, first action on the merits from the OFF or declare that none such exists.*

Where a search report and first action on the merits is already available to the USPTO [e.g. for a PCT application with search and written opinion or IPRP] then the applicant should be relieved of the responsibility to file such documents.

The requirement to supply a response as though the first office action on the merits were an action before the USPTO is superficially attractive as a means of reducing duplication of effort, however it is often the case that the claims examined by the OFF bear little relation to the claims filed in the US. For example:-

- if the application in the OFF lacked unity and a first invention was searched by the OFF, whereas the corresponding US application is based on a second, unsearched, set of claims; or*
- if the claims filed in the US already take into account objections raised by the OFF and include additional, and unexamined by OFF, limitations.*

Rather, the USPTO should be empowered to ask for such a response before an action on the merits, if the claims on file in the US application, and the relevant search report and, if applicable, first action on the merits from the OFF, indicate that the applicant has not addressed issues raised in relation to claims in prosecution in the US.

Supply of evidence from the OFF permitting work sharing should result in a lowered examination fee. The applicant has paid the OFF to provide product that makes the USPTO's job easier and should share the benefit.

Patent term extension

Track III builds a 30 month delay into the system. The USPTO is considering a rule to offset any positive PTA accrued in a Track III application when applicant requests that the application be examined after the aggregate average period to issue a first Office action on the merits. For

example, if the aggregate average time to issue a first Office action is 20 months and applicant requests that the application be examined at month 30, the proposed PTA reduction would be 10 months beginning on the expiration of the 20-month period and ending on the date on which applicant requested examination to begin.

COMMENT This is difficult to understand. Selection of Track III would automatically build in a delay, and indeed could guarantee that a patent term extension would be given.

Under 35 USC 154(b)(1)(A):

Subject to the limitations under paragraph (2), if the issue of an original patent is delayed due to the failure of the Patent and Trademark Office to—

- (i) **provide at least one of the notifications under section 132 of this title or a notice of allowance under section 151 of this title not later than 14 months** after—
 - (I) the date on which an application was filed under section 111(a) of this title; or
 - (II) the date on which an international application fulfilled the requirements of section 371 of this title;
- (ii) respond to a reply under section 132, or to an appeal taken under section 134, within 4 months after the date on which the reply was filed or the appeal was taken;
- (iii) act on an application within 4 months after the date of a decision by the Board of Patent Appeals and Interferences under section 134 or 135 or a decision by a Federal court under section 141, 145, or 146 in a case in which allowable claims remain in the application; or
- (iv) issue a patent within 4 months after the date on which the issue fee was paid under section 151 and all outstanding requirements were satisfied,

the term of the patent shall be extended 1 day for each day after the end of the period specified in clause (i), (ii), (iii), or (iv), as the case may be, until the action described in such clause is taken.

Under 35 USC 154(b)(1)(B):

Subject to the limitations under paragraph (2), if the issue of an original patent is delayed due to the failure of the United States Patent and Trademark Office to issue a patent within 3 years after the actual filing date of the application in the United States, not including—

- (i) any time consumed by continued examination of the application requested by the applicant under section 132(b);
- (ii) any time consumed by a proceeding under section 135(a), any time consumed by the imposition of an order under section 181, or any time consumed by appellate review by the Board of Patent Appeals and Interferences or by a Federal court; or
- (iii) **any delay in the processing of the application by the United States Patent and Trademark Office requested by the applicant** except as permitted by paragraph (3)(C),

the term of the patent shall be extended 1 day for each day after the end of that 3-year period until the patent is issued.

35 USC 154(b)(2)(c) states:

- (i) The period of adjustment of the term of a patent under paragraph (1) shall be reduced by a period equal to the period of time during which the applicant failed to engage **in reasonable efforts** to conclude prosecution of the application.
- (ii) With respect to adjustments to patent term made under the authority of paragraph (1)(B), an applicant shall be deemed to have failed to engage in reasonable efforts to conclude processing or examination of an application for the cumulative total of any periods of time in excess of 3 months that are taken to respond to a notice from the Office making any rejection, objection, argument, or other request, measuring such 3-month period from the date the notice was given or mailed to the applicant.
- (iii) The Director shall prescribe regulations establishing the circumstances that constitute a failure of an applicant to engage in reasonable efforts to conclude processing or examination of an application.

It is difficult to say that following a USPTO permitted Track III would not be considered as reasonable efforts, when 35 USC 154(b)(2)(c) indicates that response within a time limit can be considered as reasonable efforts under 35 USC 154(b)(1)(B).

*Consequently anyone following Track III from a national application would appear to be **guaranteed** a minimum 16 month patent term extension [assuming 30 months for Track III less the 14 months period of 35 USC 154(b)((1)(A)(i) and instantaneous issuance of a first office action].*

As direct and PCT route applications have a different starting date, filing by the national route and Track III would appear to become a route of choice for those seeking to maximise patent term.

The significant and substantial difference in patent term extension may lead to an increase in direct national filings to the expense of PCT originating filings, so leading to a reduction in the possibilities for work sharing.

Seeking to introduce an offset as proposed would appear to go against the wording of the statute, and may result in extensive litigation, as already seen in the Wyeth case.

The USPTO is considering making the failure to notify the USPTO within three months of the abandonment in the foreign office trigger a PTA offset as the USPTO would not appreciate the need to treat the application as if first-filed in the USPTO until such notice is given.

COMMENT – If calculation does not start until 30 months and then automatic transfer to Track II results in the absence of evidence, there would be no need to add this complexity to an already complex system.

Optional search by other intellectual property granting offices

The USPTO is also considering negotiating with one or more intellectual property granting offices (IPGOs) to provide an optional service for applicants at the USPTO to request that the USPTO obtain from one or more IPGOs a supplemental search report. This supplemental search report will be considered in preparation of the first Office action on the merits by the examiner. An additional search will be conducted by the examiner at the USPTO.

COMMENT – This would be useful to raise quality before the USPTO but depends upon there being IPGOs having the free resources to provide such searches. The proposal does look like a way for the USPTO to place workload with other IPGOs (to act as a preliminary search filter) rather than having the resources in place to deal with its own work. This would not be a new approach, since the USPTO searches much less than 50% of PCT applications originating there, preferring to get other ISAs to clear up their mess. Until the USPTO has adequate resources to deal with its workload backlogs will continue to increase.

1. *Should the USPTO proceed with any efforts to enhance applicant control of the timing of examination?*

Yes

2. *Are the three tracks above the most important tracks for innovators?*

If by three tracks, fast medium and slow is meant, then that would cover all eventualities.

3. *Taking into account possible efficiency concerns associated with providing too many examination tracks, should more than three tracks be provided?*

Possibly, for the fast track. Applications expedited for reasons of an infringement should have precedence over those expedited merely for policy grounds e.g. "green" applications.

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.*

See answer to 4 above.

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.*

While the applicant may be forced into an RCE by examiner action, it appears inappropriate to require an additional fee.

6. *Should prioritized examination be available at any time during examination or appeal to the Board of Patent Appeals and Interferences (BPAI)?*

No comment.

7. *Should the number of claims permitted in a prioritized application be limited? What should the limit be?*

No comment

8. *Should other requirements for use of the prioritized track be considered, such as limiting the use of extensions of time?*

Yes – if an applicant requests acceleration and then seeks an extension of time, they should be precluded from continuing under the fast track.

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?*

All applications should be published as soon as possible after 18 months. If prioritisation is chosen then non-publication should not be possible.

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. Sometimes, particularly by SMEs and those more interested in patent term than speed.

11. *Should eighteen-month patent application publication be required for any application in which the 30-month queue is requested?*

Yes

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?

Not clear this is in accordance with statute.

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?

Yes, up to 30 months. Thereafter delay should not be introduced.

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?

No, if the foreign search and examination assists the USPTO in examination, then it should be considered as part of the examination procedure.

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?

No, but if the claims presented do not appear to deal with issues raised in the OFF, the applicant should be required to comment before an action on the merits.

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?

No. Some patent offices can search to the standard of an ISA but are precluded by treaty from acting as an ISA [e.g. Germany and United Kingdom]

17. Should the requirement to provide 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 in the USPTO application be limited to where the USPTO application will be published as a patent application publication?

This question does not appear to make sense so an answer is impossible.

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?

Yes. Unlikely to be widely used? However, first filing at USPTO may increase to get patent term extension.

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 U.S. application? Would applicants expect to increase that number, if the three track proposal is adopted?

Lots of times. The split between search and examination in many jurisdictions means that there is frequently a search and no action on the merits. Sometimes the office of first filing is an EP state and is abandoned in favour of a European application. No increase is likely.

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?

This depends upon its history.

21. Should the USPTO offer supplemental searches by IPGOs as an optional service?

You can try – but capacity constraints may mean there are few to offer the service.

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 the applicant to seek supplemental searches directly from the IPGO?*

Depends upon how much you want to spend in administration.

23. *Would supplemental searches be more likely to be requested in certain technologies? If so, which ones and how often?*

Yes. To compare would be invidious.

24. *Which IPGO should be expected to be in high demand for providing the service, and by how much? Does this depend on technology?*

Japan, China

25. *Is there a range of fees that would be appropriate to charge for supplemental searches?*

Cost coverage would appear appropriate for a service for which the IPGO would expect no further income. If there is a subsequent filing in that country a cost reduction could be requested by the applicant relying on such a search.

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?*

Comparison would be invidious.

27. *Should the search be required to be conducted based on the U.S. prior art standards?*

A big question. There should be a requirement to mention PCT Rule 64.3 art.

28. *Should the scope of the search be recorded and transmitted?*

Yes

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?*

Possibly.

31. *How best should access to the application be provided to the IPGO?*

Electronically.