

From:

Sent: Tuesday, June 01, 2010 7:07 PM

To: extended_missing_parts

Cc: Manny W Schecter

Subject: Comment on Proposed Change to Missing Parts Practice

Attention: Eugenia A. Jones

Attached please find our comment in response to the "Request for Comments on Proposed Change to Missing Parts Practice" (75 Fed. Reg. 16750 (April 2, 2010)). Please do not hesitate to contact me should you have any questions or issues with this submission or if I may otherwise be of assistance with regard to this matter.

respectfully submitted,

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(See attached file: IBM Comments to RFC on Proposed Change to Missing Parts Practice 6-1-2010.pdf)

June 1, 2010

Via Electronic Mail

extended_missing_parts@uspto.gov

Comments – Patents, Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Attention: Eugenia A. Jones

IBM Corporation Comments in response to "*Request for Comments on Proposed Change to Missing Parts Practice*", 75 Fed. Reg. 16750 (April 2, 2010)

IBM supports efforts to improve US patent quality and United States Patent and Trademark Office ("USPTO") operational efficiency. By deferring patent examination and the payment of fees, provisional patent applications enable an applicant to invest more time and capital in the creation of intellectual property and selectively prosecute applications considering commercial viability and available prior art. Properly implemented, this mechanism benefits not only the applicant, but also the USPTO. By deferring or eliminating the entry of applications into the examination queue, examination deferral promotes more efficient use of USPTO resources and higher quality examinations. Consequently, IBM welcomes this opportunity to provide a response to the USPTO's "Request for Comments on Proposed Change to Missing Parts Practice" which, if implemented, would provide a mechanism to defer examination of nonprovisional applications of provisional applications under 35 U.S.C. § 119.

IBM recognizes and appreciates the USPTO's goals and responsiveness to the expressed needs of the patent applicant community, and we believe the proposal would benefit from further consideration of the potential risks and costs associated with implementation. Accordingly, we offer the following comments, suggestions, and alternatives to the proposed Notice to File Missing Parts ("NTFMP") practice change.

Overview

IBM generally supports the availability of examination deferral for patent applications, including nonprovisional applications based upon provisional application filings. However, IBM believes that results consistent with the objectives of the proposed NTFMP change may be achieved via minor adjustments to the existing "deferred examination" process under 37 C.F.R. §1.103, or preferably via a more comprehensive modification of the deferred examination process as described in *Deferred Examination: A Solution Whose Time Has Come*, Steven Bennett and David Kappos, Intellectual Property Watch, March 12, 2009.

Notwithstanding IBM's preferences, we recognize the benefits of implementing a program such as that proposed by the USPTO. Allowing applicants to defer prosecution while requiring the publication of their applications generates structured prior art

documents that are easily accessible by the public or the USPTO. There is also evidence that similar programs in the European Patent Office and the Japanese Patent Office have resulted in a reduction in patent office workload, allowing resources to be utilized more efficiently. Applicants can take advantage of the ability to delay initiation of examination to make informed decisions regarding which applications warrant the investment of continued prosecution and use the proposed interim search report to identify any amendments necessary to achieve proper claim scope for those cases where such prosecution is warranted. All these benefits contribute to patent quality, as to both the patent within the program and patents in general which benefit from enhanced availability of prior art and reduced pendency.

If deferral of examination is to be targeted specifically to provisional applications using the proposed Notice to File Missing Parts process, we believe additional clarifications and safeguards should be implemented to prevent misuse and other possible negative consequences. Moreover, to ensure that the practice change has the desired effect, we suggest implementation as a pilot program over a limited period of time and in a limited number of technology centers or art units to determine if the program should be modified before being implemented on a USPTO-wide basis.

Issues Associated with the Current Proposal

Ensuring Adequacy of Written Description in Provisional Applications

Although the current NTFMP proposal and supporting materials relating to provisional application filings generally reiterate that all provisionals must comply with 35 U.S.C. § 112 to confer the benefit of their priority filing date, by their very nature provisional applications are less likely to include complete and enabling written descriptions.

Since provisional applications are not required to, and frequently do not, include a claim, it is at best speculative as to whether the specification will satisfy the requirements of section 112. Moreover, provisional applications are frequently filed to secure an application filing date prior to an imminent bar date. Applications written in such circumstances may not include as complete a disclosure as those written under less strenuous time requirements. This problem is exacerbated by the fact that applicants are aware that provisional filings will not be separately published and will never be examined substantively. Thus, it is unclear if the provisional application would ever be evaluated for sufficiency of the disclosure once a nonprovisional is filed. Consequently special scrutiny should be given to any application taking advantage of the revised NTFMP program with regard to specification support. Possible techniques to ameliorate the risk of provisional patent applications lacking complete and enabling written descriptions include:

- Requiring applicants to file the original provisional application and a preliminary amendment or substitute specification when filing the nonprovisional (rather than merely filing an new application referencing/claiming benefit to the prior provisional application), clearly indicating the differences between the provisional and nonprovisional applications in "mark up" form as required by MPEP 608.01 (q).

- Alternatively requiring applicants to “convert” the prior provisional filing to a nonprovisional under 37 CFR § 1.53(c). At a minimum, we suggest the USPTO clarify how the proposed NTFMP process would work for such converted applications, if at all.
- Require applicants to cross reference all nonprovisional claims to the provisional specification from which priority is claimed. (Cross-referencing of claims to supporting specification sections is currently required in Board appellate practice as part of the “summary of claimed subject matter” section of an Appeal Brief). The cross-reference requirement would conserve USPTO resources, reducing the amount of time USPTO Examiners would need to ensure that no new matter had been added.
- Encourage the use of claim dictionaries to define key terms in the provisional specification and/or nonprovisional claims as described in, “*A case for adopting controlling dictionaries in the USPTO*”, Diana Roberts, Manny W. Schechter, and Alison Mortinger, Intellectual Asset Management Magazine, Issue 39, Jan./Feb. 2010.

Public Notice/Real Party in Interest

Another concern associated with the proposed modification to the NTFMP program is providing process visibility and transparency as well as ensuring that patents and published applications provide adequate public notice of desired, or ultimately obtained, claim scope. The NTFMP program as proposed explicitly allows deferral of presentation of all but one claim for an additional 12 months, and thus could be manipulated by applicants to hide the ultimate claims sought to be patented from the public. The ability of applicants to present claims for the first time years after filing could re-create the problems associated with “submarine” patents that have long plagued the patent system.

Furthermore, additional pendency increases the potential harm to the public from concealment of the real party in interest prosecuting the patent application. If the original applicant is under an obligation to assign the patent rights to a third party, that third party may control application filing and prosecution while delaying actual assignment or recordation until issuance and enforcement. The public will not know whether or not the application is assigned or obligated to be assigned to a licensor and thus will be unable to assess the impact of any patents issuing from the application on their business. This ability to conceal the identity of the real party in interest for an extended period of time will encourage speculation and promote uncertainty in valuation of patent rights. We believe the USPTO should consider these risks and take the necessary steps to prevent misuse of the newly-created program. In an effort to address these issues, IBM recommends the following solutions:

- Highlight applications participating in the program. One possible technique would be to create a new patent document kind code (e.g., “A3”) to clearly identify cases deferring examination for an additional year.
- Allow third parties to anonymously pay the search and examination fee to cause a case to be taken up for examination immediately (see *Deferred Examination: A Solution Whose Time Has Come*, supra).
- Require, in order to participate in the program, the disclosure of the real party in interest (“RPI”) associated with the application. This could be accomplished

using a form or template requirement for information under 37 C.F.R. § 1.105. Identification of the proper assignee would also assist the USPTO by ensuring the appropriate scope of prior art is applied under common assignee restrictions such as those contained in 35 U.S.C. §103.

- Providing intervening rights to protect good-faith commercialization efforts in cases where the ultimate claim granted differs from the claim originally presented and published as also described in *Deferred Examination: A Solution Whose Time Has Come*, supra.
- Another technique to safeguard against the so-called “late claiming” problem would be to utilize 37 C.F.R. §1.145 and “Election by Original Presentation” restriction requirements in cases where initial and subsequent claim scopes differ significantly.

Other Considerations and Questions

As with any proposal to create a new or modified process, there are several issues which will likely require clarification before implementation. Specifically, the USPTO should clarify the following:

- Does participation in the revised NTFMP program require a specific request or merely the filing of a nonprovisional application converting/claiming priority to a provisional application meeting the specified requirements? Is there a mechanism to address inadvertent participation via an accidental failure to pay search and examination fees?
- Must the priority benefit claim be direct or can any nonprovisional application which ultimately claims benefit back to a provisional parent application leverage the new NTFMP process?

Interim International Style Search Report

IBM supports the implementation of an optional “international style” search report that would be received during the 12 month extended missing parts response period. Access to such a report would provide even greater certainty to the applicant as to whether it makes economic sense to proceed with prosecution of the patent application. We recognize that the value of the “international style” search report is directly related to the scope of the pending claim(s). We therefore urge the USPTO to stress that any originally-filed claims particularly point out and distinctly claim the subject matter ultimately sought to be patented such that the “international style” search report has merit. The USPTO should also consider whether the search fee under 37 C.F.R. §1.16 should be reduced where such a prior search was conducted by the USPTO and paid for as is provided for by 37 C.F.R. §1.492.

Patent Term Adjustment

IBM supports the proposition that the revised NTFMP process would not impact the 20 year patent term. Consequently, responses to Missing Parts notices received more than three months after their indicated period for reply should be used as an offset against any positive PTA accrued, as suggested in the USPTO’s notice. To do otherwise would create inconsistency and additional complexity in computing the

correct patent term adjustment, and would result in an unwarranted windfall to the patentee.

Existing Solutions (Suspension of Action/Deferral)

One issue not addressed by the current proposal is whether existing programs (with or without minor modifications) could be used to defer examination in a similar manner and how such programs would integrate, if at all, with the proposed revised NTFMP process.

Since 2000, 37 C.F.R. §1.103 "*Suspension of Action by the Office*", has enabled patent applicants to suspend action by the USPTO for up to 6 months or to defer examination by the USPTO for a period of up to 3 years from the earliest filing date from which the benefit of priority is claimed. To suspend action by the USPTO, good and sufficient cause must be shown or a CPA or RCE must be filed. At present, deferral of examination requires the payment of an application filing fee, a deferral processing fee, and an early publication fee as well as that the application and request meet a number of other requirements. In requesting deferral of examination, an applicant must specify the amount of time the examination of the application is to be deferred. Perhaps as a result of these monetary and procedural hurdles, utilization of the deferral process has been extremely low. IBM has thus proposed a number of modifications to the existing examination deferral process which we believe would encourage its use if adopted.

More modest changes could be made to the existing process under 37 C.F.R. §1.103 however to achieve similar results to those of the proposed NTFMP process change. Specifically, 37 C.F.R. §1.103 could simply be modified to allow payment of the publication fee at a later date (e.g., prior to issuance as is ordinarily the case for nonprovisional applications). Using this process, an applicant could file a provisional application; and then a nonprovisional application claiming priority to that provisional application within 12 months, paying the base filing fee (as required under the proposed revised NTFMP process) and the deferral processing fee to request deferred examination. Patent term and publication would be treated almost identically as under the NTFMP proposal, while providing deferral of up to an additional 24 months (rather than 12 as under the modified NTFMP process as proposed). Such additional deferral time could warrant the additional deferral processing fee expense. Alternatively, the deferral processing fee could be reduced or eliminated altogether.

IBM also supports implementation of the more comprehensive deferred examination process described in the previously cited paper, "*Deferred Examination: A Solution Whose Time Has Come*" a number of features of which are discussed above.

Proposed Pilot Program

Given the concerns expressed above and the difficulty of identifying all issues associated with any change to established USPTO procedure, IBM recommends that the USPTO pilot the proposed NTFMP program, evaluate results, and make any needed modifications before applying it on an USPTO-wide basis. Such a pilot

should be open to all applicants for a more realistic view of potential impact on the applicant community. As noted above, we suggest the pilot be limited to a specified time period and particular technology centers/art units so it remains manageable and the results are more readily subject to analysis. IBM suggests that the USPTO consider, as part of the pilot program, whether modifications to existing programs, e.g. Suspension of Action by the Office 37 C.F.R. §1.103, would have a more desirable result than the NTFMP program. The USPTO should also consider whether a similar program should be made available to nonprovisional applications not claiming priority to earlier provisional applications via a separate pilot program.

Following an assessment period for monitoring and review of all aspects of the program, the USPTO can make an informed determination whether the program warrants continued examination or formal adoption, in its current or an altered form.

Conclusion

While the proposed change to the Notice to File Missing Parts process has many attractive benefits, we believe the USPTO should consider possible modifications and alternatives, as discussed herein, to address risks and optimize the program. IBM looks forward to continuing to work with the USPTO in furtherance of its goal of reducing applicant costs and improving examination efficiency.

Respectfully submitted,

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