

September 5, 2014

Via Electronic Mail
patent_pendency2014@uspto.gov

Attention: Gregory L. Mills
Office of the Commissioner for Patents

IBM Corporation Comments in response to "Request for Comments on Optimum First Action and Total Patent Pendency", 79 Fed. Reg. 38854 (July 9, 2014)

IBM thanks the United States Patent and Trademark Office ("Office") for the opportunity to provide input and comments regarding optimum first action and total patent application pendency target levels at the Office. We appreciate the Office's commitment to refining long-term patent application pendency goals while considering the need for quality examination. Our comments center on the Office maintaining focus on improving the quality of examination while achieving overall compactness and efficiency of prosecution.

IBM respectfully suggests that the Office should maintain focus on improving the quality of the first action and examination generally, rather than attempting to achieve a short ten month average time for a first action, or any particular average total pendency that compromises the quality of patent application examination. It is our belief that a substantive and quality first action examination, during which all possible prior art is available to the Examiner, will result in the most efficient prosecution and shortest total pendency.

We share the Patent Public Advisory Committee (PPAC) concerns regarding the "unintended consequences" that may result from implementing the Office's goal to reduce first action pendency to ten months.¹ IBM believes that a ten month average time for a first action could potentially reduce the quality of patents because (i) not all pertinent prior art is available for the Examiner to search and (ii) valuable third party preissuance submissions are not available for Examiners to consider. Although prior art not available during prosecution can be presented in post-issuance proceedings, potential infringers incur expense in doing so and/or from designing around meritless patents in the interim.

In many fast-moving and crowded technology fields, patent applications embodying competing inventions are often filed within months of each other. Therefore, if an Examiner relies on the prior art available only ten months after the filing of the application, when all the pertinent art may not be published until eighteen months after the respective filing dates, the Examiner may overlook this pertinent art

¹ See *Setting and Adjusting Patent Fees*, 78 FR at 4244-45; <http://www.gpo.gov/fdsys/pkg/FR-2013-01-18/pdf/2013-00819.pdf>

during examination. This can undoubtedly affect overall patent quality in applications for which a first office action allowance is issued, and will create protracted prosecution in applications where the "best" prior art is unavailable, and therefore, is not applied in the first office action, if applied at all.

If the Office pursues a ten month average first action pendency goal, then the Office should take additional examination steps before allowing an application to issue as a patent within eighteen months of its effective filing date. IBM strongly recommends that, prior to allowing an application to issue, the Office should require a search of unpublished applications with an earlier effective filing date than the examined application. In the event that unpublished pertinent art with an earlier effective filing date is found, the Office should delay allowance of the instant examined application until the unpublished applications become available as prior art. We understand withholding allowance until the unpublished application becomes available as prior art is not ideal, and may not always be possible: having all prior art available as early as the first action on the merits would be preferable; and conversely in some cases speedy prosecution is required (e.g., accelerated examination discussed further below). However, where this policy is applicable, we believe it is a necessary step to avoid incorrectly issuing patents when examination precedes qualifying prior art.

In addition to providing an opportunity to the Examiners to consider unpublished pertinent art, the Office must also provide effective search tools to ensure that the unpublished pertinent art is found. IBM encourages the Office to share information about the search tools available to Examiners that enable keyword as well as class/subclass search of unpublished applications.

Furthermore, a ten month average first action pendency does not permit Examiners to consider valuable third party preissuance submissions. The Office's own statistics show that 87% of Examiners receiving third party preissuance submissions found that the submission was helpful during their examination and that 93% of them found the concise explanation provided within the submission to be helpful.² Thus, Examiners, Patent Applicants, and the public all benefit from the Examiner having sufficient time to consider these third party preissuance submissions which, in turn, can improve the quality of the first office action and increase certainty in the patent process.

Determining optimum total or first action pendency is further complicated by what we believe is an inherent contradiction in the statute between the patent term adjustment's fourteen month deadline for first action on the merits³ and the time period available for third party preissuance submissions⁴. Third party preissuance submissions are most valuable when provided to the examiner prior to a first office action on the merits. If the Office issues a first action on the merits prior to the

² http://www.uspto.gov/patents/init_events/preissuance_examiner_survey_statistics.pdf

³ See 35 U.S.C. 154 (b)(1)(A)(i)

⁴ Under 35 U.S.C. 122(e), such submissions may be made before (1) the later of (i) 6 months after the date of publication or (ii) the date of a first Office action on the merits rejecting any claims, or (2) before the date of a notice of allowance, if earlier.

fourteen month deadline, then it necessarily follows that any third party preissuance submission would only be considered after the first action on the merits, and may not be considered at all. IBM believes that the benefit of increased confidence in patents due to consideration of third party preissuance submissions before issuing a first action on the merits outweighs the patent term adjustment that may result.

In view of the above, IBM supports an average first action pendency which allows for pertinent prior art to publish and be considered by the Examiner and for any third party prior art submissions to be reviewed and evaluated by the Examiner. We believe that the average first action pendency after eighteen months, but before twenty four months after filing, would be optimal. Further, IBM supports an overall average total pendency of thirty-six months. We believe a reasonably compact thirty-six month overall pendency is achievable when a substantive quality first action examination is completed with all pertinent patent prior art available.

Voluntary Options for Adjusting Pendency

IBM recognizes and appreciates the Office providing alternative prosecution options Applicants may use to control total pendency of a patent application. These options include both accelerated and deferred examination programs (although the latter is not explicitly discussed in the Federal Register Notice). Applicants have various interests regarding the use and protection of intellectual property and may operate under strict budget constraints. Providing a variety of tools to allow Applicants to manage their patent pipelines has incredible value.

The overall effectiveness of the alternative prosecution options in controlling first action pendency and total pendency, however, is unknown. Accordingly, we urge the Office to provide statistics to the public regarding the use of these accelerated and deferred examination programs (including any alternative prosecution options not specifically referenced in the Federal Register Notice). More specifically, IBM would like the Office to publish the number and percentage of applications that use each of these alternative prosecution options. We also suggest the Office provide statistics on the average first action pendency and average total pendency of applications that utilize each of the alternative prosecution options. Further, we would be interested in the first action pendency and average total pendency of applications in which the Applicants have chosen to request deferred examination as a function of the Applicant-requested deferral time period.

IBM is particularly interested in the Office's statistics for the After Final Consideration Pilot (AFCP 2.0) program including data that reveals whether the program has had an impact on average total pendency without requiring Applicants to resort to filing a Request for Continued Examination (RCE).

Meaningful statistics like those described above should explain why Applicants choose to use one alternative prosecution option over another, or choose not to use any of them at all. If certain programs are underutilized, then the Office should consider what may be deterring Applicants from taking advantage of a particular program. The Office may even consider requesting feedback regarding these alternative prosecution methods from Applicants in a customer survey.

IBM supports the continued use of these accelerated and deferred examination programs and encourages the Office to enhance their effectiveness to allow Applicants to control their patent pipeline as they see fit. Some Applicants may be more concerned with improving the quality of patent application examination than reducing the pendency of a patent application. Giving Applicants the flexibility to manage their patent pipelines by enabling many options for accelerating and deferring examination, as generally desired, allows those Applicants most in need of reducing pendency to do so without impacting other Applicants, thereby minimizing the potential decrease in overall patent quality.

Patent Quality Programs Can Shorten Pendency

IBM recommends that the Office emphasize quality initiatives to reduce average total pendency. For example, we have found that Examiner Interviews efficiently advance prosecution by providing Applicants a deeper understanding of the Examiner's point of view as well as providing Applicants an opportunity to ensure the Examiner has an appropriate understanding of the invention. IBM suggests that the Office publish statistics illustrating any correlation between interviews conducted during prosecution of an application and average total pendency. In addition, Applicants would benefit from statistics that provide additional insights as to when an interview should be conducted, e.g., before a first office action, after a first office action, or after a final office action. It would be interesting to understand if the Office's statistics demonstrate that an interview conducted prior to a first office action provides for a shorter average total pendency when compared with applications where the interview is conducted after a first action. Interview statistics such as these would provide significant feedback to the Applicants as to whether interviews are effective and, if so, whether the timing of the interviews can affect total pendency of a patent application.

Further, we request that the Office measure and report timeliness of advisory actions. IBM urges the Office to ensure Examiners act on any after final responses or amendments within ten days of receipt because Applicants often gauge whether to file an RCE based upon the contents of the advisory action. For example, IBM strives to file all after final responses or amendments within two months of the final rejection and, if appropriate after reviewing the advisory action, file an RCE within three months of the final rejection. If the Examiners do not respond to the after final response or amendment within ten days, however, to avoid paying for an extension of time, Applicants must decide whether to file an RCE without the benefit of the Examiner's input. Therefore, we believe that adhering to a ten day deadline for responding to after final amendments and responses can substantially decrease the number of RCEs and consequently reduce the overall backlog of applications.

We are concerned that the current count and workflow system may encourage Examiners to delay their responses to after final amendments and responses by Applicants. In the above scenario, Applicants generally file an RCE, providing Examiners with credit for abandonment as well as additional credit for a subsequent simplified examination. While it is understood that Examiners are, in part, evaluated based on timeliness of Office actions such as advisory actions, perhaps the small consequence to the Examiners' workflow is not sufficient to dissuade such behavior. IBM encourages the Office to consider stricter enforcement to ensure Examiners respond to an after final amendment or response within ten days of receipt.

Summary of IBM Requested Office Statistics

Throughout our comments, IBM has requested that the Office publish numerous statistics regarding the effectiveness and timeliness of examination in regularly filed and prosecuted applications as well as applications utilizing alternative prosecution options. We believe that providing these requested statistics will enable Applicants to make better informed decisions regarding their prosecution options. In addition, information regarding the effectiveness of the various prosecution options will enable Applicants to provide the Office with feedback and recommendations for possible improvements in the future. For convenience, we provide a summary of our requests below.

First, IBM thanks the Office for already providing helpful statistics regarding the Office's performance measures⁵. In particular, we appreciate the breakdown provided for total pendency into categories of traditional patent pendency, traditional patent pendency including RCEs, and pendency of applications which include at least one RCE. We believe that statistics directed to traditional patent pendency including RCEs will reveal the true effectiveness of many of the alternative prosecution options available to Applicants.

IBM requests the following statistics for each of the alternative prosecution options available to Applicants prior to examination and during examination to advance progress of a patent application (i.e. Track One-Prioritized Examination, Accelerated Examination, Full First Action Interview Pilot, Patent Prosecution Highway, Glossary Pilot, Petition to Make Special, and the Ombudsman Program):

- The number or percentage of applications
- The average first action pendency
- The average total pendency (traditional patent pendency and traditional patent pendency including RCEs)

Similarly, IBM urges the Office to publish the following statistics for deferred examination:

- The number or percentage of applications
- The average first action pendency

⁵ <http://www.uspto.gov/dashboards/patents/main.dashxml>

- The average total pendency (traditional patent pendency and traditional patent pendency including RCEs)
- The above presented as a function of the Applicant-requested deferral time period

We also request statistics regarding each of the alternative prosecution options available to Applicants after the close of prosecution (i.e. After Final Consideration Pilot 2.0, Pre-Appeal Program, Quick Path Information Disclosure Statement, and the Ombudsman Program):

- The number or percentage of applications
- The average first action pendency
- The average traditional patent pendency including RCEs⁶

In particular, IBM would be interested in statistics that illustrate the timeliness of response and effectiveness of the After-Final Consideration Pilot 2.0 (AFCP 2.0) in reducing pendency as compared to applications in which an after final response (not under AFCP 2.0) is filed. Therefore, for AFCP 2.0 requests and after final responses we request the following:

- The number or percentage of applications
- The Office response time from date of filing request or response
- The average first action pendency
- The average traditional total pendency including RCEs
- The prosecution event immediately following the request (e.g., advisory action [and whether it was issued with or without entering amendments], allowance, abandonment, RCE, notice of appeal)

Finally, IBM requests that the Office publish statistics to gauge the advancement of prosecution in regular applications (applications which did not take advantage of alternative prosecution options) in which an Examiner Interview is conducted. Accordingly, we would like the following statistics for regular applications with an interview and regular applications without an interview.

- The number or percentage of applications
- The average first action pendency
- The average traditional total pendency including RCEs
- The above statistics presented as a function of the stage of prosecution when the interview was conducted

Conclusion

⁶ We request that these statistics only include applications which have not previously had an RCE filed. IBM is interested in statistics that demonstrate the effectiveness of the alternative prosecution options available to Applicants (e.g. AFCP 2.0) after the close of prosecution in reducing total pendency (including RCEs). However, we acknowledge that the alternative prosecution options available after close of prosecution may be requested at any time during prosecution, including after an RCE has been filed. Accordingly, statistics such as traditional pendency including RCEs for applications in which the request was filed after an RCE may not reveal the true effectiveness of the program in reducing pendency.

IBM believes that the Office's proposed target of ten month average first action pendency is too aggressive and will affect overall quality of examination. We submit that the focus of examination should be on a quality substantive first action examination where all possible prior art is available for consideration. IBM believes that a quality substantive examination with all possible prior art available for consideration will yield an efficient examination, thus leading to shortened total pendency. IBM suggests that rather than focusing on a particular pendency goal the Office should continue to provide and enhance the effectiveness of alternative prosecution methods to accelerate or defer examination allowing Applicants to tailor pendency consistent with their patent strategy.

Respectfully submitted,

Manny W. Schechter
Chief Patent Counsel
Intellectual Property Law
IBM Corporation
schechter@us.ibm.com
Voice: 914-765-4260
Fax: 914-765-4290

Jennifer M. Anda
Senior Patent Agent
Intellectual Property Law
IBM Corporation
jmanda@us.ibm.com
Voice: 520-799-2485
Fax: 520-799-5551