

**From:** Jackson, Jimmy  
**Sent:** Friday, May 29, 2009 2:10 PM  
**To:** AC6/Comments  
**Subject:** BIOCOM comments re deferral of examination

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May 29, 2009

Via E-mail: [AC6comments@USPTO.gov](mailto:AC6comments@USPTO.gov)

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

Attn.: Robert W. Bahr, Senior Patent Counsel  
Office of the Deputy Commissioner for Patent Examination Policy

RE: Deferral of Examination

Dear Sir:

BIOCOM appreciates the opportunity to provide comments on the proposal that the United States Patent and Trademark Office consider adopting deferral of examination as part of the patent process, as originally published in 74 Fed. Reg. 4946 (January 28, 2009), and the deadline for comment thereon extended at 74 Fed. Reg. 10036 (March 9, 2009).

BIOCOM is a regional advocacy organization representing more than 570 dues paying life science companies and service providers in Southern California. Strong intellectual property protection is important to attract the substantial investment required to bring new life-saving therapeutics to the market. Toward that end, BIOCOM and its member companies have a keen interest in potential changes to the patent examination process which may substantially increase the cost of obtaining patents, increase the risk of challenge to the resulting patents, and consequently reduce the ability of small companies which do so much of the innovative research in this country to raise the capital necessary to pursue their goals.

BIOCOM supports the goal of improving patent examination by the United States Patent and Trademark Office (USPTO), especially the goals of making the decision-making process more efficient, thereby minimizing the pendency of applications before the Office.

To that end, BIOCOM supports adoption of a deferred examination system by the USPTO. Because of substantial prosecution costs and uncertainty as to the ultimate business merit of the invention at the time of filing an application, not all patent applicants are anxious to have certain applications examined immediately upon filing (or ever).

The adoption of a deferred examination system will provide numerous benefits to the USPTO and applicants, for example:

- (1) Reduce USPTO backlog;
- (2) Increase USPTO and Customer efficiency; and
- (3) Reduce waste of USPTO resources.

#### Reduce USPTO backlog:

If even a small percentage of applicants decide not to proceed with the Request for Examination, it would still assist the USPTO in reducing the backlog of un-examined cases by removing from the queue those applications in which applicants are no longer interested.

Moreover, deferral of examination, in conjunction with other developing programs, such as the Patent Prosecution Highway with various foreign authorities, can be an important element in a coordinated plan to reduce USPTO backlog, and reduce overall patent expenses for applicants.

#### Increase USPTO and Customer efficiency:

The timing of filing a patent application is frequently a fine balance between the need to obtain an early priority date, and generating adequate data to support a reasonable claim scope. Consequently, business, regulatory and technical risks related to producing a product based on the invention may have to be surmounted over a period of time far beyond the patent filing date. A deferred examination system provides a way for an applicant to delay examination of an application, and avoid related sunk costs, until examination thereof makes good business sense.

Furthermore, deferred examination allows an applicant to more clearly indicate to the USPTO when the application is ripe for examination, thereby allowing USPTO resources to be devoted to examination of applications for which applicants are actually interested.

#### Reduce waste of USPTO resources:

Those who are in no rush for active prosecution of their application to proceed (and/or wish to avoid incurring additional costs associated with active prosecution) can delay submission of the Request for Examination until examination of the subject application makes good business sense. While the current rules do provide a mechanism for delaying the initiation of prosecution, the current system is an “opt-out” system, where the applicant must actively request deferral of examination. As USPTO experience indicates, Applicants are unlikely to take this extra step (either because of the expense of doing so, or concern with the possibility of being characterized as not diligently pursuing issuance of their application as a patent). Converting the present system to an “opt-in” system, where the active step required of the applicant is the filing of a Request for Examination in order to initiate the examination process (i.e., applicant must “opt-in” to the examination process), will ensure that USPTO resources are invested only in those cases where the applicant has actively decided to proceed with examination.

Rather than depend on an applicant actively seeking to delay prosecution, if deferral becomes the norm (by adoption of a deferred examination system), then applicants can choose to submit a request for examination early, or to submit the request in the “usual” timeframe (e.g., 3-

5 years from the priority date), or simply allow the case to lapse if there is no longer interest in pursuing the subject matter thereof. Since the current system does not query an applicant post filing whether they remain interested in pursuing a case, it is likely that substantial USPTO resources are wasted acting on cases that applicants have no intention of pursuing. A deferred examination system would reduce such waste of USPTO resources.

Option for third party requests to initiate examination

In order to prevent an applicant from delaying prosecution merely for the purpose of maintaining a “cloud” over a field of activity and continuing uncertainty about the scope of potential claim coverage, a provision that permits a third party to initiate prosecution of a pending application should be included in any system that is adopted, so as to enable interested third parties to seek some certainty or predictability at a sooner date. A substantial fee could be associated with this third party “right” so as to deter third parties from just routinely making such requests.

BIOCOM appreciates the opportunity to comment on the proposed adoption of a deferred examination system. BIOCOM welcomes the opportunity to work with the USPTO to develop and implement a deferred examination system that address USPTO concerns without unduly increasing the costs and risks inherent in the exercise of obtaining patents.

Respectfully submitted,



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Vice President of Public Policy & Communications  
BIOCOM