

From: KELLEY, THOMAS E
Sent: Thursday, February 26, 2009 6:01 PM
To: AC6/Comments
Subject: Comments by Monsanto Company on Deferred Examination for Patent Applications

The Hon. John J. Doll

Acting Under Secretary of Commerce;

Acting Director of the USPTO

Re: Request for Comments and Notice of Roundtable on Deferred Examination for Patent Applications

Dear Acting Under Secretary Doll:

Monsanto Company is pleased to have the opportunity to comment on the USPTO's positive initiative on deferred examination.

Monsanto Company supports the PTO's consideration of a deferred examination option that would allow flexibility in prosecution timing for an applicant to request either acceleration or deferral of substantive examination in pending applications based on the applicant's current commercial interest in the application. We believe that deferred examination would be beneficial to the Office as well as to applicants who are pursuing inventions in products with extraordinarily long development times. For example, the research and development of our transgenic agricultural products can span multiple growing seasons from conception and transformation with recombinant DNA, through converting transgenic plants to hybrid plants for screening in multiple agricultural environments, through field trials for deregulation, and finally to transfer of the recombinant DNA into multiple varieties for commercial sales. Those multiple growing seasons can take upwards of ten years from concept to market.

To assure freedom to operate on a product pipeline that spends over \$2 million per day, it is imperative that a patent application be filed at an early stage after conception of the invention. The majority of those inventions, however, will be dropped at some point on the path to commercialization for a variety of reasons. Under the current patent examining paradigm the examination of applications covering the many products that ultimately drop out on the path to commercialization might be viewed as a futile application of scarce PTO and corporate resources that could be applied to applications of better defined commercial interest. Wasteful application of PTO resources does not support economic growth. Yet, those many applications must be filed at conception to protect the R&D investment in, and assure freedom to practice of, the few inventions that are ultimately commercialized. Even the applications that would not be examined serve an intermediate purpose in supporting a valuable R&D investment in the future of the U.S. and world economy.

Unlike other technologies that can be tested and developed in the laboratory, transgenic plant inventions are tested in the progeny of live plants over the course of many growing seasons. When Mother Nature provides unplanned rain on a drought field trial, the trial must be repeated in a subsequent growing season using seed produced in a non-droughted field. An option to defer patent examination for a significant period of time, e.g. at least 7 years would be useful for agricultural biotechnology inventions. A deferral option of 3 years would be like no deferral at all. We encourage the PTO to adopt a liberal or at least variable deferral period that is meaningful for applicants in all industry groups even if the period is different for different art units. Applicants with applications in the various art units should be queried to ascertain a reasonable and acceptable period of deferral. It may be that no deferral is preferred by applicants in some art units.

We understand that a concern has been expressed that a deferral period would allow non-practicing entities (NPE's) to park applications while waiting for technology to develop and be commercialized before electing examination. This expressed concern should not be a reason to not consider and institute deferred examination. We believe that a deferred examination system would not exacerbate whatever is the current level of "gaming" being practiced by NPE's. For instance, under the current restriction practice that often identifies multiple "independent and distinct" inventions in a single application, even without the *de facto* deferral due to the backlog of applications, an NPE has a realistic possibility of filing a legitimate divisional application that would receive initial examination well after 7 years from the initial filing date. The current law on provisional rights for published claims was designed to have a moderating effect in this regard. Nonetheless, we encourage the Director to consider rules limiting the examination and patenting of unpublished claims in deferred examinations. To be fair deferred examination should be limited to subject matter within the scope of published claims. That is not to say that a CIP would not be proper for a legitimate improvement that requires a priority claim for patentability.

We look forward to working with the Office to develop a deferred examination system that will alleviate the backlog of pending applications and enhance the quality of examined applications by allowing more quality time to be allocated to those applications that are examined. In this regard we encourage the Office to also consider a fee- and scope-flexible examination process that foregoes the current restriction practice in favor of allowing an Examiner and the applicant to collaborate in defining a set of claims for examination at a negotiated fee that reflects the cost to the Office and the work contributed by the Examiner. Such an approach without the rigid applicant input of the current accelerated examination process would be an effective adjunct to a deferred examination system in reducing the application backlog and improving patent quality.

Very truly yours,

/Thomas E. Kelley/

Patent Counsel

Monsanto Company