

provision does not constitute a major federal action within the meaning of section 102(2)(C) of the National Environmental Policy Act (42 U.S.C. 4332(2)(C)). A determination has been made that such decisions are categorically excluded from the NEPA process (516 DM 8.4.A).

#### *Paperwork Reduction Act*

This rule does not contain information collection requirements that require approval by OMB under the Paperwork Reduction Act (44 U.S.C. 3507 *et seq.*).

#### *Regulatory Flexibility Act*

The Department of the Interior has determined that this rule will not have a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). The State submittal which is the subject of this rule is based upon counterpart federal regulations for which an economic analysis was prepared and certification made that such regulations would not have a significant economic effect upon a substantial number of small entities. Therefore, this rule will ensure that existing requirements previously promulgated by OSM will be implemented by the state. In making the determination as to whether this rule would have a significant economic impact, the Department relied upon the data and assumptions for the counterpart federal regulations.

#### *Small Business Regulatory Enforcement Fairness Act*

This rule is not a major rule under 5 U.S.C. 804(2), the Small Business Regulatory Enforcement Fairness Act. This rule:

- a. Does not have an annual effect on the economy of \$100 million.
- b. Will not cause a major increase in costs or prices for consumers, individual industries, federal, state, or local government agencies, or geographic regions.
- c. Does not have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S. based enterprises to compete with foreign-based enterprises.

This determination is based upon the fact that the state submittal which is the subject of this rule is based upon counterpart federal regulations for which an analysis was prepared and a determination made that the federal regulation was not considered a major rule.

#### *Unfunded Mandates*

This rule will not impose a cost of \$100 million or more in any given year any government entity or the private sector.

#### **List of Subjects in 30 CFR Part 936**

Intergovernmental relations, Surface mining, Underground mining.

Dated: March 23, 2000.

**Richard J. Seibel,**

*Acting Regional Director, Mid-Continent Regional Coordinating Center.*

[FR Doc. 00-8010 Filed 3-30-00; 8:45 am]

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## **DEPARTMENT OF COMMERCE**

### **Patent and Trademark Office**

#### **37 CFR Part 1**

**[Docket No.: 000308066-0066-01]**

**RIN 0651-AB06**

#### **Changes to Implement Patent Term Adjustment Under Twenty-Year Patent Term**

**AGENCY:** Patent and Trademark Office, Commerce.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The United States Patent and Trademark Office (Office) is proposing changes to the rules of practice in patent cases to implement certain provisions of section 4402 of the "American Inventors Protection Act of 1999." These provisions of the "American Inventors Protection Act of 1999" provide patent term adjustment to compensate patentees for certain delays in the application examination process.

**DATES: Comment Deadline Date:** To be ensured of consideration, written comments must be received on or before May 30, 2000. No public hearing will be held.

**ADDRESSES:** Comments should be sent by electronic mail message over the Internet addressed to: [patentterm.comments@uspto.gov](mailto:patentterm.comments@uspto.gov). Comments may also be submitted by mail addressed to: Box Comments—Patents, Commissioner for Patents, Washington, D.C. 20231, or by facsimile to (703) 872-9411 or (703) 308-6916, marked to the attention of Karin L. Tyson. Although comments may be submitted by mail or facsimile, the Office prefers to receive comments via the Internet. If comments are submitted by mail, the Office would prefer that the comments be submitted on a DOS formatted 3½ inch disk accompanied by a paper copy.

The comments will be available for public inspection at the Special Program Law Office, Office of the Deputy Assistant Commissioner for Patent Policy and Projects, located at Room 3-C23 of Crystal Plaza 4, 2201 South Clark Place, Arlington, Virginia, and will be available through anonymous file transfer protocol (ftp) via the Internet (address: <http://www.uspto.gov>). Since comments will be made available for public inspection, information that is not desired to be made public, such as an address or phone number, should not be included in the comments.

#### **FOR FURTHER INFORMATION CONTACT:**

Karin L. Tyson, Robert W. Bahr, or Robert A. Clarke by telephone at (703) 305-1383, or by mail addressed to: Box Comments—Patents, Commissioner for Patents, Washington, D.C. 20231, or by facsimile to (703) 872-9411 or (703) 308-6916, marked to the attention of Karin L. Tyson.

**SUPPLEMENTARY INFORMATION:** The "American Inventors Protection Act of 1999" (Title IV of the "Intellectual Property and Communications Omnibus Reform Act of 1999" (S. 1948) as introduced in the 106th Congress on November 17, 1999) was incorporated and enacted into law on November 29, 1999, by § 1000(a)(9), Division B, of Public Law 106-113, 113 Stat. 1501 (1999). The "American Inventors Protection Act of 1999" contains a number of changes to title 35, United States Code. This notice proposes changes to the rules of practice to implement the provisions of §§ 4401 and 4402 of the "American Inventors Protection Act of 1999." These provisions are effective on the date that is six months after the date of enactment of the "American Inventors Protection Act of 1999" (May 29, 2000) and apply to applications, other than for a design patent, filed on or after the date that is six months after the date of enactment of the "American Inventors Protection Act of 1999" (May 29, 2000).

Section 532 of the Uruguay Round Agreements Act (Public Law 103-465, 108 Stat. 4809 (1994)) amended 35 U.S.C. 154 to provide that the term of patent protection begins on the date of patent grant and ends on the date twenty years from the filing date of the application, or the earliest filing date for which a benefit is claimed under 35 U.S.C. 120, 121, or 365(c). Public Law 103-465 also contained provisions, codified at 35 U.S.C. 154(b), for patent term extension due to certain examination delays.

Section 4402 of the "American Inventors Protection Act of 1999" amends 35 U.S.C. 154(b)(1) to provide

day-by-day patent term adjustment if the Office fails, within specified time periods, to: (1) initially act on the application; (2) respond to a reply or appeal to the Board of Patent Appeals and Interferences by the applicant; (3) act on an application containing allowed claims after a decision by the Board of Patent Appeals and Interferences or a Federal court; or (4) issue the application after the issue fee is paid in reply to a notice of allowance and all outstanding requirements are satisfied (35 U.S.C. 154(b)(1)(A)).

Section 4402 of the "American Inventors Protection Act of 1999" also amends 35 U.S.C. 154(b)(1) to provide day-by-day patent term adjustment if, subject to a number of limitations, the Office fails to issue a patent within three years of the actual filing date of the application (35 U.S.C. 154(b)(1)(B)). Finally, § 4402 of the "American Inventors Protection Act of 1999" also amends 35 U.S.C. 154(b)(1) to provide day-by-day patent term adjustment for delays due to interference proceedings under 35 U.S.C. 135(a), imposition of a secrecy order under 35 U.S.C. 181, or successful appellate review by the Board of Patent Appeals and Interferences or a Federal court (35 U.S.C. 154(b)(1)(C)).

Section 4402 of the "American Inventors Protection Act of 1999" amends 35 U.S.C. 154(b)(2) to place limitations on the period of patent term adjustment granted under 35 U.S.C. 154(b)(1). First: to the extent that the periods of delay attributed to the grounds specified in 35 U.S.C. 154(b)(1) overlap, the period of adjustment shall not exceed the actual number of days the issuance of the patent was delayed. Second: no patent, the term of which has been disclaimed beyond a specified date, may be adjusted under 35 U.S.C. 154(b) beyond the expiration date specified in the disclaimer. Third: the period of patent term adjustment under 35 U.S.C. 154(b)(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 (or processing or examination) of the application. Section 4402 of the "American Inventors Protection Act of 1999," however, does not contain any limit (*e.g.*, of five or ten years) on the total extension or adjustment that may be granted under 35 U.S.C. 154(b).

An applicant is deemed to have failed to engage in reasonable efforts to conclude prosecution of the application with respect to any patent term adjustment under 35 U.S.C. 154(b)(1)(B) (failure to issue a patent within three years of the actual filing date of the

application) for the cumulative total of any periods of time in excess of three months that are taken to reply to a notice of any rejection, objection, argument, or other request, measuring the three-month period from the date the notice was mailed or given. In addition, 35 U.S.C. 154(b)(2) directs the Office to prescribe regulations establishing the circumstances that constitute a failure of the applicant to engage in reasonable efforts to conclude processing or examination of the application.

Section 4402 of the "American Inventors Protection Act of 1999" also amends 35 U.S.C. 154(b)(3) to establish procedures for patent term adjustment determinations. 35 U.S.C. 154(b)(3) directs the Office to prescribe regulations establishing procedures for the application for and determination of patent term adjustment under 35 U.S.C. 154(b). 35 U.S.C. 154(b)(3), however, requires the Office to: (1) make a patent term adjustment determination and transmit a notice of that determination with the notice of allowance; and (2) provide the applicant with one opportunity to request reconsideration of that patent term adjustment determination. 35 U.S.C. 154(b)(3) also provides that the Office shall reinstate all or part of the cumulative period of time of an adjustment reduced under 35 U.S.C. 154(b)(2)(C) (for failure to reply to a notice of any rejection, objection, argument, or other request within three months of the date the notice was mailed or given) if, prior to issuance of the patent, the applicant makes a showing that, in spite of all due care, the applicant was unable to reply within the three-month period, except that the Office may not reinstate more than three additional months for each reply beyond the original three-month period. Section 4402 of the "American Inventors Protection Act of 1999" also amends 35 U.S.C. 154(b)(3) to provide that the Office shall proceed to grant the patent after completing its patent term adjustment determination, and amends 35 U.S.C. 154(b)(4) to provide for judicial review in the event that the applicant is dissatisfied with that patent term adjustment determination.

Section 4405(a) of the "American Inventors Protection Act of 1999" provides that § 4402 shall take effect on the date that is six months after the date of enactment of the "American Inventors Protection Act of 1999" (May 29, 2000) and shall apply to any application (other than a reissue or design) filed on or after the date that is six months after the date of enactment of the "American Inventors Protection Act of 1999" (May 29, 2000). Therefore,

patents (other than reissue or design) issued on applications filed on or after June 8, 1995, but before May 29, 2000, are subject to the patent term extension provisions of 35 U.S.C. 154(b) as amended by § 532(a)(1) of Public Law 103-465 and § 1.701, whereas patents (other than reissue or design) issued on applications filed on or after May 29, 2000, are subject to the patent term adjustment provisions of 35 U.S.C. 154(b) as amended by § 4402 of the "American Inventors Protection Act of 1999" (as it is proposed to be implemented in §§ 1.702 through 1.705).

The filing date of a continued prosecution application (CPA) under § 1.53(d) is the date that the request for CPA is filed (§ 1.53(d)(2)), even though the Office uses the filing date of the prior application for identification purposes. Therefore, the patent term adjustment provisions of 35 U.S.C. 154(b) as amended by § 4402 of the "American Inventors Protection Act of 1999" apply to any CPA filed on or after May 29, 2000, regardless of the filing date of the prior application of the CPA. While an applicant may file a continuing application under § 1.53(b) on or after May 29, 2000, for the application to be subject to the patent term adjustment provisions of 35 U.S.C. 154(b) as amended by § 4402 of the "American Inventors Protection Act of 1999," an applicant need only file a CPA under § 1.53(d) on or after May 29, 2000, for the application to be subject to the patent term adjustment provisions of 35 U.S.C. 154(b) as amended by § 4402 of the "American Inventors Protection Act of 1999." The filing of a CPA on or after May 29, 2000, does not, however, entitle an applicant to receive term adjustment for Office delays before May 29, 2000.

The six-month lead time provided in § 4405(a) for implementing the patent term adjustment provisions of § 4402 of the "American Inventors Protection Act of 1999" is not sufficient to conduct a notice and comment rulemaking (giving a 60-day comment period) and adopt final rules by the effective date (May 29, 2000) of the patent term adjustment provisions of § 4402 of the "American Inventors Protection Act of 1999." Nevertheless, the Office does not anticipate that any patent entitled to patent term adjustment based upon the provisions of § 4402 of the "American Inventors Protection Act of 1999" will issue until December 2000, at the earliest. This notice of proposed rulemaking, however, places applicants on notice as to the actions or inactions that are considered by the Office (and may be adopted in the final rules) as circumstances constituting a failure to

engage in reasonable efforts to conclude prosecution (processing or examination) of the application, and which will result in a reduction of any patent term adjustment.

#### Discussion of Specific Rules

Section 1.18(e) is proposed to be added to provide a \$200.00 fee for filing an application for patent term adjustment under § 1.705. Section 1.18(f) is proposed to be added to provide a \$450.00 fee for filing a request for reinstatement of all or part of the term reduced pursuant to § 1.704(b)(1) in an application for patent term adjustment under § 1.705. Section 1.18(d) is proposed to be added in a rulemaking to implement the eighteen-month publication provisions of the "American Inventors Protection Act of 1999." The fees in proposed § 1.18(e) and (f) are set to recover the estimated average cost to the Office for processing and evaluating an application for patent term adjustment under § 1.705 (\$200.00), and for processing and evaluating a request under 35 U.S.C. 154(b)(3)(C) for reinstatement of term reduced under 35 U.S.C. 154(b)(2)(C) (\$450.00), respectively. See 35 U.S.C. 41(d). In view of these proposed additions to § 1.18, the heading of § 1.18 is also proposed to be amended to refer to patent "post-allowance (including issue) fees" (instead of only patent "issue fees").

Subpart F of 37 CFR Part 1 is proposed to be amended to include a first undesignated center heading to read "ADJUSTMENT OF PATENT TERM DUE TO EXAMINATION DELAY" followed by an amended § 1.701 and newly added §§ 1.702 through 1.705 concerning patent term adjustment under 35 U.S.C. 154(b), and a second undesignated center heading to read "EXTENSION OF PATENT TERM DUE TO REGULATORY REVIEW" followed by current § 1.710 *et seq.* concerning patent term extension under 35 U.S.C. 156.

Section 1.701 is proposed to be amended by revising its heading to indicate that its provisions concern the term provisions of the Uruguay Round Agreements Act (Public Law 103-465), and to add a paragraph (e) to specify that the provisions of § 1.701 apply only to original patents issued on applications filed on or after June 8, 1995, and before May 29, 2000. As discussed above, the provisions of 35 U.S.C. 154(b) as amended by § 532(a)(1) of Public Law 103-465 and current § 1.701 apply to applications (other than for a reissue or design patent) filed on or after June 8, 1995, but before May 29, 2000, and the provisions of § 4402 of the

"American Inventors Protection Act of 1999" and proposed §§ 1.702 through 1.705 apply to applications (other than for a reissue or design patent) filed on or after May 29, 2000.

Section 1.702 is proposed to be added to set forth the bases for patent term adjustment under 35 U.S.C. 154(b)(1). Section 1.702(a) as proposed indicates that a patent is entitled to patent term adjustment if the Office fails to perform certain acts of examination within specified time frames (35 U.S.C. 154(b)(1)(A)). Section 1.702(b) as proposed indicates that a patent is entitled to patent term adjustment if, subject to a number of limitations, the Office fails to issue a patent within three years of the actual filing date of the application (35 U.S.C. 154(b)(1)(B)). Section 1.702(c) as proposed indicates that a patent is entitled to patent term adjustment if the issuance of the patent was delayed by an interference proceeding (35 U.S.C. 154(b)(1)(C)(i)). Section 1.702(d) as proposed indicates that a patent is entitled to patent term adjustment if the issuance of the patent was delayed by the application being placed under a secrecy order under 35 U.S.C. 181 (35 U.S.C. 154(b)(1)(C)(ii)). Section 1.702(e) as proposed indicates that a patent is entitled to patent term adjustment if the issuance of the patent was delayed by successful appellate review under 35 U.S.C. 134, 141, or 145 (35 U.S.C. 154(b)(1)(C)(iii)). Section 1.702(f) as proposed provides that the provisions of §§ 1.702 through 1.705 apply only to original applications, except applications for a design patent, filed on or after May 29, 2000, and patents issued on such applications.

Section 1.703 as proposed specifies the period of adjustment if a patent is entitled to patent term adjustment under 35 U.S.C. 154(b)(1) and § 1.702.

Section 1.703(a) as proposed indicates that the period of adjustment under § 1.702(a) is the sum of the following periods (to the extent that such periods are not overlapping): (1) The number of days, if any, in the period beginning on the date fourteen months after the date on which the application was filed under 35 U.S.C. 111(a) or fulfilled the requirements of 35 U.S.C. 371 and ending on the mailing date of either an action under 35 U.S.C. 132, or a notice of allowance under 35 U.S.C. 151, whichever occurs first (a written restriction requirement, a written election of species requirement, and an action under *Ex parte Quayle*, 1935 Comm'r Dec. 11 (1935) are each an action under 35 U.S.C. 132); (2) the number of days, if any, in the period beginning on the date four months after the date a reply under § 1.111 was filed

and ending on the mailing date of an action under 35 U.S.C. 132, or a notice of allowance under 35 U.S.C. 151, whichever occurs first; (3) the number of days, if any, in the period beginning on the date four months after the date a reply in compliance with § 1.113 (*i.e.*, only an after final reply that cancels all of the rejected claims and removes all outstanding objections and requirements or otherwise places the application in condition for allowance) was filed and ending on the date of mailing of an action under 35 U.S.C. 132, or a notice of allowance under 35 U.S.C. 151, whichever occurs first; (4) the number of days, if any, in the period beginning on the date four months after the date a notice of appeal to the Board of Patent Appeals and Interferences under 35 U.S.C. 134 and § 1.191 was filed and ending on the mailing date of an examiner's answer under § 1.193, an action under 35 U.S.C. 132, or a notice of allowance under 35 U.S.C. 151, whichever occurs first; (5) the number of days, if any, in the period beginning on the date four months after the date of a final decision by the Board of Patent Appeals and Interferences or by a Federal court in an appeal under 35 U.S.C. 141 or a civil action under 35 U.S.C. 145 or 146 in an application containing allowable claims and ending on the mailing date of either an action under 35 U.S.C. 132, or a notice of allowance under 35 U.S.C. 151, whichever occurs first; and (6) the number of days, if any, in the period beginning on the date four months after the date the issue fee was paid and all outstanding requirements were satisfied (*i.e.*, the date the issue fee was paid or the date all outstanding requirements were satisfied, whichever is later) and ending on the date a patent was issued.

Section 1.703(b) as proposed indicates that the period of adjustment under § 1.702(b) is the number of days, if any, in the period beginning on the date three years after the actual filing date of the application and ending on the date a patent was issued. Section 1.703(b) as proposed also sets forth the limitations on patent term adjustment specified in 35 U.S.C. 154(b)(1)(B)(i) and (ii). Section 1.703(b) as proposed specifically provides that the period of adjustment of the term of a patent under § 1.703(b) shall not include the period equal to the sum of the following periods: (1) The period of pendency consumed by continued examination of the application under 35 U.S.C. 132(b) (35 U.S.C. 154(b)(1)(B)(i)); (2) the period of pendency consumed by interference proceedings (35 U.S.C. 154(b)(1)(B)(ii)); (3) the period of pendency consumed by

imposition of a secrecy order (35 U.S.C. 154(b)(1)(B)(ii)); and (4) the period of pendency consumed by appellate review under 35 U.S.C. 134, 141, 145, whether successful or unsuccessful (35 U.S.C. 154(b)(1)(B)(ii)). The provisions of 35 U.S.C. 154(b)(1)(B)(iii) concerning the period of pendency consumed by delays in the processing of the application requested by the applicant are treated in § 1.704 as such delays are also circumstances constituting a failure of an applicant to engage in reasonable efforts to conclude processing or examination of the application.

Section 1.703(c) as proposed indicates that the period of adjustment under § 1.702(c) is the sum of the following periods (to the extent that such periods are not overlapping): (1) The number of days, if any, in the period beginning on the date an interference was declared or redeclared to involve the application in the interference and ending on the date that the interference was terminated with respect to the application; and (2) the number of days, if any, in the period beginning on the date prosecution in the application was suspended by the Office due to interference proceedings under 35 U.S.C. 135(a) not involving the application and ending on the date of the termination of the suspension.

Section 1.703(d) as proposed indicates that the period of adjustment under § 1.702(d) is the sum of the following periods (to the extent that such periods are not overlapping): (1) The number of days, if any, the application was maintained in a sealed condition under 35 U.S.C. 181; (2) the number of days, if any, in the period beginning on the date of mailing of an examiner's answer under § 1.193 in the application under secrecy order and ending on the date the secrecy order was removed; (3) the number of days, if any, in the period beginning on the date applicant was notified that an interference would be declared but for the secrecy order and ending on the date the secrecy order was removed; and (4) the number of days, if any, in the period beginning on the date of notification under § 5.3(c) and ending on the date of mailing of the notice of allowance under § 1.311.

Section 1.703(e) as proposed indicates that the period of adjustment under § 1.702(e) is the sum of the number of days, if any, in the period beginning on the date on which a notice of appeal to the Board of Patent Appeals and Interferences was filed under 35 U.S.C. 134 and § 1.191 and ending on the date of a final decision in favor of the applicant by the Board of Patent Appeals and Interferences or by a Federal court in an appeal under 35

U.S.C. 141 or a civil action under 35 U.S.C. 145.

Section 1.703(f) as proposed indicates that the adjustment will run from the expiration date of the patent as set forth in 35 U.S.C. 154(a)(2). Section 1.703(f) also indicates that to the extent that periods of adjustment attributable to the grounds specified in § 1.702 overlap, the period of adjustment will not exceed the actual number of days the issuance of the patent was delayed (35 U.S.C. 154(b)(2)(A)). Section 1.703(f) as proposed also specifically indicates that the term of a patent entitled to adjustment under § 1.702 and this section shall be adjusted for the sum of the periods calculated under § 1.703(a) through (e), to the extent that such periods are not overlapping, less the sum of the periods calculated under § 1.704. Section 1.703(f) as proposed also provides that the date indicated on any certificate of mailing or transmission under § 1.8 shall not be taken into account in this calculation. That is, while the date indicated on any certificate of mailing or transmission under § 1.8 will continue to be taken into account in determining timeliness, the date of filing (§ 1.6) will be the date used in a patent term adjustment calculation. Applicant may wish to consider the use of the "Express Mail Post Office to Addressee" service of the United States Postal Service (§ 1.10) for replies (as well as original applications) to be accorded the earliest possible filing date for patent term adjustment calculations.

Section 1.703(g) as proposed indicates that no patent, the term of which has been disclaimed beyond a specified date, shall be adjusted under §§ 1.702 and 1.703 beyond the expiration date specified in the disclaimer (35 U.S.C. 154(b)(2)(B)).

Section 1.704 as proposed implements the provisions of 35 U.S.C. 154(b)(2)(C). 35 U.S.C. 154(b)(2)(C) specifies certain circumstances as constituting a failure of an applicant to engage in reasonable efforts to conclude processing or examination of an application, and also provides for the Office to prescribe regulations establishing circumstances that constitute a failure of an applicant to engage in reasonable efforts to conclude processing or examination of the application.

Section 1.704(a) as proposed implements the provisions of 35 U.S.C. 154(b)(2)(C)(i) and indicates that the period of adjustment 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 (*i.e.*, processing or examination) of the application.

Section 1.704(b) as proposed provides that with respect to the ground for adjustments set forth in § 1.702(a) though (e), and in particular § 1.702(b), an applicant shall be deemed to have failed to engage in reasonable efforts to conclude prosecution for the cumulative total of any periods of time in excess of three months that are taken to reply to any notice or action by the Office making any rejection, objection, argument, or other request, measuring such three-month period from the date the notice or action was mailed or given to the applicant. A Notice of Omitted Items (PTO-1669) is not a notice or action by the Office making a rejection, objection, argument, or other request within the meaning of 35 U.S.C. 154(b)(2)(C)(ii) or § 1.704(b), since the Office does not require a reply to that notice to continue the processing and examination of the application. The three-month period in 35 U.S.C. 154(b)(2)(C)(ii) and § 1.704(b) applies regardless of the period for reply set in the Office action or notice. For example, if an Office action sets a one-month period for reply (restriction requirement), the applicant may obtain a two-month extension of time under § 1.136(a) before being subject to a reduction of patent term adjustment under 35 U.S.C. 154(b)(2)(C)(ii) and § 1.704(b). If, however, an Office action set a six-month period for reply, as is commonly set in applications subject to secrecy orders (see section 130 of the *Manual of Patent Examining Procedure* (7th ed. 1998) (MPEP)), the applicant is subject to a reduction of patent term adjustment under 35 U.S.C. 154(b)(2)(C)(ii) and § 1.704(b) if the applicant does not reply to the Office action within three months, notwithstanding that a reply may be timely filed six months after the mailing date of the Office action. Section 1.704(b) as proposed indicates that in such a case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date three months after the date of mailing of the Office communication notifying the applicant of the rejection, objection, argument, or other request and ending on the date the reply was filed.

Section 1.704(c) as proposed also establishes further circumstances that constitute a failure of an applicant to engage in reasonable efforts to conclude processing or examination of the application. Section 1.704(c)(1) through (c)(16) set forth actions or inactions by an applicant that interfere with the Office's ability to process or examine an

application (and thus circumstances that constitute a failure of an applicant to engage in reasonable efforts to conclude processing or examination of the application), as well as the period by which a period of adjustment set forth in § 1.703 shall be reduced if an applicant engages in any of the enumerated actions or inactions. Sections 1.704(c)(1) through 1.704(c)(16) address situations that occur with sufficient frequency to warrant being specifically provided for in the rules of practice. An attempt to provide an exhaustive listing of actions or inactions that interfere with the Office's ability to process or examine an application, but do not occur with great frequency (e.g., applicant files and persists in requesting reconsideration of a meritless petition under § 1.10 or when the scope of the broadest claim in the application at the time an application is placed in condition for allowance is substantially the same as suggested or allowed by the examiner more than six months earlier than the date the application was placed in condition for allowance), is impractical. Thus, the actions or inactions set forth in § 1.704(c) are exemplary circumstances that constitute a failure of an applicant to engage in reasonable efforts to conclude processing or examination of the application. The Office may also reduce a period of adjustment provided in § 1.703 on the basis of conduct that interferes with the Office's ability to process or examine an application under the authority provided in 35 U.S.C. 154(b)(2)(C)(iii), even if such conduct is not specifically addressed in § 1.704(c).

Section 1.704(c)(1) as proposed establishes suspension of action under § 1.103 at the applicant's request as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of an application. Obviously, if action is suspended at the applicant's request, the Office is precluded from processing or examining the application as a result of an action by the applicant. Section 1.704(c)(1) as proposed also provides that in such a case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date a request for suspension of action under § 1.103 was filed and ending on the date of the termination of the suspension.

Section 1.704(c)(2) as proposed establishes deferral of issuance of a patent under § 1.314 as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of

an application. Obviously, if issuance of the patent is deferred under § 1.314, the Office is precluded from issuing the application as a result of an action by the applicant. When a petition under § 1.314 is granted, the petition decision generally states that the application will be held for a period of a month to await the filing of a paper. At the end of the period, the application is returned to the issue process without a further communication from the Office to the applicant. Section 1.704(c)(2) as proposed also provides that in such a case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date a request for deferral of issuance of a patent under § 1.314 was filed and ending on the issue date of the patent.

Section 1.704(c)(3) as proposed establishes abandonment of the application or late payment of the issue fee as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of an application. Obviously, if the application is abandoned (either by failure to prosecute or late payment of the issue fee), the Office is precluded from processing or examining the application as a result of an action or inaction by the applicant. Section 1.704(c)(3) as proposed also provides that in such a case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date of abandonment or the date after the day the issue fee was due and ending on the date of mailing of the decision reviving the application or accepting late payment of the issue fee.

Section 1.704(c)(4) as proposed establishes failure to file a petition to withdraw a holding of abandonment or to revive an application within two months from the mailing date of a notice of abandonment as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of an application. Any applicant who considers an application to have been improperly held abandoned (the reduction in § 1.704(c)(3) is applicable to the revival of an application properly held abandoned) is expected to file a petition to withdraw the holding of abandonment (or to revive the application) within two months from the mailing date of a notice of abandonment. *See* MPEP 711.03(c)(I). Section 1.704(c)(4) as proposed also provides that in such a case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date two months

from the mailing date of a notice of abandonment and ending on the date a petition to withdraw the holding of abandonment or to revive the application was filed.

Section 1.704(c)(5) as proposed establishes conversion of a provisional application under 35 U.S.C. 111(b) to a nonprovisional application under 35 U.S.C. 111(a) (pursuant to 35 U.S.C. 111(b)(5)) as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of an application. Section 4801(a) of the "American Inventors Protection Act of 1999" provides for the conversion of a provisional application under 35 U.S.C. 111(b) and § 1.53(c) to a nonprovisional application under 35 U.S.C. 111(a) and § 1.53(b), and it is being implemented in a separate rulemaking. Conversion of a provisional application to a nonprovisional application will require the Office to reprocess the application (as a nonprovisional application) up to one year after the filing date that will be accorded to such nonprovisional application as a result of an action by the applicant. Section 1.704(c)(5) as proposed also provides that in such a case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date the application was filed under 35 U.S.C. 111(b) and ending on the date a request in compliance with § 1.53(c)(3) to convert the provisional application into a nonprovisional application was filed.

Section 1.704(c)(6) as proposed establishes failure to file the basic filing fee (§ 1.16(a) or (g)), any English translation required by § 1.52(d), or an oath or declaration (§ 1.63) executed by all of the inventors in an application under 35 U.S.C. 111(a) as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of an application. The Office cannot act on an application until the applicant files the basic filing fee, an English translation (if the application is filed in a language other than English), and an oath or declaration (§ 1.63) executed in compliance with § 1.64 (by all of the inventors or applicants under §§ 1.42, 1.43, or 1.47). The rules of practice (§ 1.53(f) and 1.136(a)), however, currently permit an applicant to delay filing the basic filing fee, any English translation required by § 1.52(d), and oath or declaration by up to seven months from the date the applicant is notified that the application is missing the basic filing fee, English translation, or oath or declaration. To avoid changing these provisions and

requiring that the basic filing fee and oath or declaration be filed when an application is filed under 35 U.S.C. 111(a), the Office is setting forth failure to file the basic filing fee (§ 1.16(a) or (g)), any English translation required by § 1.52(d), or an oath or declaration (§ 1.63) executed by all of the inventors in an application under 35 U.S.C. 111(a) as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing of the application. Section 1.704(c)(6) as proposed provides that in such a case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date the application was filed and ending on the later of the date the applicant supplied the basic filing fee (§ 1.16), an English translation (§ 1.52(d)), and an oath or declaration (§ 1.63) executed in compliance with § 1.64 and, if the oath or declaration was not executed by all of the inventors, the earliest of the date the application was accorded status under § 1.47, or four months after a grantable petition under § 1.47 was filed.

Section 1.704(c)(7) as proposed establishes failure to fulfill the requirements of 35 U.S.C. 371(c) and § 1.494 or § 1.495 in an international application as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing of an application. The three-year period in 35 U.S.C. 154(b)(1)(B) is measured from the "actual filing date of the application in the United States" and 35 U.S.C. 363 provides that an international application designating the United States has the same effect from its international filing date as a national application regularly filed in the United States (except as provided in 35 U.S.C. 102(e)). Nevertheless, the Office cannot act on an international application until the applicant fulfills the requirements of 35 U.S.C. 371(c) and § 1.494 or § 1.495, and the legislative history of 35 U.S.C. 154(b) makes clear that an applicant may not use the Patent Cooperation Treaty (PCT) application filing system to have the time period set forth in § 1.494 or § 1.495 count against the three-year time period in 35 U.S.C. 154(b)(1)(B). See 145 Cong. Rec. S14708, S14718 (daily ed. November 17, 1999) (statement of Sen. Lott); see also H.R. Rep. No. 106-464 at 126 (1999). Section 1.704(c)(7) as proposed also provides that in such a case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date the international application was filed under 35 U.S.C. 363 and the later of the date the

application fulfilled the requirements of 35 U.S.C. 371(c) and §§ 1.494 or 1.495 and, if the oath or declaration was not executed by all of the inventors (§ 1.497), the earliest of the date the application was accorded status under § 1.47, or four months after a grantable petition under § 1.47 was filed.

Section 1.704(c)(8) as proposed establishes failure to request the national stage of processing in an international application if the application fulfills the requirements of 35 U.S.C. 371(c) and § 1.494 or § 1.495 before the expiration of the applicable time period set forth in § 1.494(b) or § 1.495(b) as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of an application. The Office cannot act on an international application before the expiration of the applicable time period set forth in § 1.494(b) or § 1.495(b) without the applicant's express request (35 U.S.C. 371(f)), even if the application fulfills the requirements of 35 U.S.C. 371(c) and § 1.494 or § 1.495 prior to the expiration of the applicable time period set forth in § 1.494(b) or § 1.495(b). Section 1.704(c)(8) as proposed also provides that in such a case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date the international application was filed under 35 U.S.C. 363 and the earlier of the date of expiration of the applicable time period in § 1.494(b) or § 1.495(b) or the date on which an express request for national stage of processing is filed.

Section 1.704(c)(9) as proposed establishes failure to file an application with a specification on papers in compliance with § 1.52 and having a title and abstract in compliance with § 1.72, drawings in compliance with § 1.84 (if applicable), and a sequence listing in compliance with §§ 1.821 through 1.825 (if applicable) as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of an application. The Office must require these items during its preexamination processing of an application to implement the pre-grant publication provisions of the "American Inventors Protection Act of 1999." Therefore, the Office cannot act on an application until it contains a specification on papers in compliance with § 1.52 and having an abstract (§ 1.72(b)), drawings in compliance with § 1.84 (if applicable), and a sequence listing in compliance with §§ 1.821 through 1.825 (if applicable). Section 1.704(c)(9) as proposed also provides

that in such a case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the filing date of the application and ending on the date the application contains a specification on papers in compliance with § 1.52 and having an abstract (§ 1.72(b)), drawings in compliance with § 1.84 (if applicable), and a sequence listing in compliance with §§ 1.821 through 1.825 (if applicable).

Section 1.704(c)(10) as proposed establishes submission of a preliminary amendment or other preliminary paper less than one month before the mailing of an Office action under 35 U.S.C. 132 or a notice of allowance under 35 U.S.C. 151 that requires the mailing of a supplemental Office action or notice of allowance as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of an application. If the submission of a preliminary amendment or other paper requires the Office to issue a supplemental Office action or notice of allowance, the submission of that preliminary amendment or other paper has interfered with the processing and examination of an application. Section 1.704(c)(10) as proposed also provides that in such a case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the mailing date of the original Office action or notice of allowance and ending on the mailing date of the supplemental Office action or notice of allowance.

Section 1.704(c)(11) as proposed establishes submission of a reply having an omission (§ 1.135(c)) as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of an application. Submitting a reply having an omission requires the Office to issue an action under § 1.135(c) and await and process the applicant's reply before the initial reply (as completed) can be treated on its merits. Section 1.704(c)(11) as proposed also provides that in such a case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date the reply having an omission was filed and ending on the date that the omission was filed.

Section 1.704(c)(12) as proposed establishes submission of a supplemental reply or other paper after a reply has been filed as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of an application. The submission of a

supplemental reply or other paper (e.g., IDS or petition) after an initial reply was filed requires the Office to restart consideration of the initial reply in view of the supplemental reply or other paper, which will result in a delay in the Office's response to the initial reply. Section 1.704(c)(12) as proposed also provides that in such a case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date the initial reply was filed and ending on the date that the supplemental reply or such other paper was filed.

Section 1.704(c)(13) as proposed establishes failure to file an appeal brief (and brief fee) in compliance with § 1.192 with the notice of appeal to the Board of Patent Appeals and Interferences under 35 U.S.C. 134 and § 1.191 as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of an application. The examiner cannot prepare an examiner's answer in response to an appeal until the applicant files an appeal brief in compliance with § 1.192, and the rules of practice (§§ 1.192(a) and 1.136(a)) now allow the applicant to delay filing an appeal brief for up to seven months from the filing date of the notice of appeal under § 1.191. Thus, to continue to permit this time frame for filing an appeal brief, the Office must establish the failure to file an appeal brief (and brief fee) in compliance with § 1.192 with the notice of appeal to the Board of Patent Appeals and Interferences under 35 U.S.C. 134 and § 1.191 as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of the application. Section 1.704(c)(13) as proposed also provides that in such a case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date a notice of appeal under 35 U.S.C. 134 and § 1.191 was filed and ending on the day an appeal brief (and brief fee) in compliance with § 1.192 was filed, or, if no appeal brief under § 1.192 is filed, ending on the day an amendment in compliance with § 1.113 was filed.

Section 1.704(c)(14) as proposed establishes submission of an amendment or other paper in an application containing allowed claims after a decision by the Board of Patent Appeals and Interferences (other than a decision containing a rejection under § 1.196(b)) or a Federal court less than one month before the mailing of an Office action under 35 U.S.C. 132 or notice of allowance under 35 U.S.C. 151

that requires the mailing of a supplemental Office action or supplemental notice of allowance as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of the application. The submission of an amendment or other paper (e.g., IDS or petition) in an application after a Board of Patent Appeals and Interferences or court decision requires the Office to restart consideration of the application in view of the amendment or other paper, which will result in a delay in the Office's taking action on the application. Section 1.704(c)(14) as proposed also provides that in such a case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the mailing date of the original Office action or notice of allowance and ending on the mailing date of the supplemental Office action or notice of allowance.

Section 1.704(c)(15) as proposed establishes submission of an amendment under § 1.312 or other paper after a notice of allowance has been given or mailed as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of an application. The submission of amendments (or other papers) after an application is allowed causes substantial interference with the patent issue process. *See Filing of Continuing Applications, Amendments, or Petitions after Payment of Issue Fee*, Notice, 1221 *Off. Gaz. Pat. Office* 14 (April 6, 1999); and *Patents to Issue More Quickly After Issue Fee Payment*, Notice, 1220 *Off. Gaz. Pat. Office* 42 (March 9, 1999). Thus, to continue to permit applicants to submit an amendment or other paper after a notice of allowance is mailed or given, the Office must establish submission of an amendment under § 1.312 or other paper after a notice of allowance has been given or mailed as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of the application. Section 1.704(c)(15) as proposed also provides that in such a case the period of adjustment set forth in § 1.703 shall be reduced by the lesser of: (1) The number of days, if any, beginning on the date the amendment under § 1.312 was filed and ending on the mailing date of the Office action or notice in response to the amendment under § 1.312 or such other paper; or (2) four months. The "lesser of \* \* \* or four months" provision is to provide a four-month cap for reductions under § 1.704(c)(15).

Section 1.704(c)(16) as proposed establishes further prosecution via a continuing application as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of the application. Currently, a continuing application may be used to: (1) Obtain further examination of an invention disclosed and claimed in the prior application (continuation application); (2) obtain examination (for the first time) of an invention disclosed but not claimed or not elected for examination in the prior application (divisional application); or (3) obtain examination of an invention neither disclosed nor claimed in the prior application (continuation-in-part application). The provisions of 35 U.S.C. 132(b) (which are being implemented in a separate rulemaking) will permit an applicant to obtain further or continued examination of an invention disclosed and claimed in an application, which renders it unnecessary for an applicant whose application is eligible for patent term adjustment under 35 U.S.C. 154(b) to file a continuing application to obtain further examination of an invention disclosed and claimed in an application. If an applicant is filing a continuing application to obtain examination (for the first time) of an invention disclosed but not claimed or not elected for examination in the prior application or an invention neither disclosed nor claimed in the prior application, it is not appropriate for that applicant to obtain any benefit in the continuing application for examination delays that might have occurred in the prior application. Thus, the Office is establishing further prosecution via a continuing application as a circumstance that constitutes a failure of an applicant to engage in reasonable efforts to conclude processing or examination of the application, in that the period of adjustment set forth in § 1.703 shall not include any period that is prior to the actual filing date of the application that resulted in the patent. Thus, if the application that resulted in the patent is a CPA, the period of adjustment set forth in § 1.703 (if any) will not include any period that is prior to the filing date of the request for that CPA.

As discussed above, an applicant may file a CPA under § 1.53(d) on or after May 29, 2000, for the application to be subject to the patent term adjustment provisions of 35 U.S.C. 154(b) as amended by § 4402 of the "American Inventors Protection Act of 1999." The period of patent term adjustment § 1.703

(if any), however, will not include any period that is prior to the filing date of the request for that CPA.

These are three examples of how 35 U.S.C. 154(b) and the proposed rules to implement 35 U.S.C. 154(b) would apply. For purposes of clarity and ease of calculation, the examples illustrate mailing of some Office actions on non-business days, and granting of patents on days other than Tuesdays.

In a first example: (1) A first application ("Application A") is filed on January 2, 1998; (2) a second application ("Application B") is filed as a continued prosecution application (CPA under § 1.53(d)) of Application A on May 29, 2000, without payment of the filing fee or providing a deposit account authorization for payment of the filing fee; (3) a "Notice to File Missing Parts of Application (CPA)" is mailed on July 25, 2000, requiring the filing fee, and setting a two-month period for reply; (4) the filing fee is paid on September 25, 2000; (5) a written restriction requirement is mailed on November 13, 2000; (6) a petition for a four-month extension of time and an election are filed on April 6, 2001; (7) an Office action (first action on the merits) is mailed on September 10, 2001; (8) an amendment is filed in reply (§ 1.111) to that Office action on November 1, 2001; (9) a notice of allowability requiring a biological material deposit (§ 1.809(c)) and notice of allowance are mailed on December 3, 2001; (10) the issue fee is paid on February 28, 2002; (11) the biological material deposit is made on March 15, 2002, with a one-month extension of time; and (12) the patent issues on July 9, 2002.

The fourteen-month time period set forth in 35 U.S.C. 154(b)(1)(A)(i)(§ 1.702(a)(1) and § 1.703(a)(1)) was met by the mailing of the written restriction requirement on November 13, 2000, within fourteen months of the filing date of the application (May 29, 2000). The four-month time period set forth in 35 U.S.C. 154(b)(1)(A)(ii)(§ 1.702(a)(2) and § 1.703(a)(2)) was not met for acting on the reply (election) of April 6, 2001, but was met for acting on the reply (amendment) of November 1, 2001. The four-month time period for acting on the reply of April 6, 2001, expired on August 6, 2001; however, the Office's response to the reply of April 6, 2001, was not mailed until September 10, 2001, the difference in time between August 6, 2001, and September 10, 2001, being 35 days. The four-month time period set forth in 35 U.S.C. 154(b)(1)(A)(iii)(§ 1.702(a)(2) through (a)(3) and § 1.703(a)(3) through (a)(4)) is

not applicable in this example. The four-month time period set forth in 35 U.S.C. 154(b)(1)(A)(iv)(§ 1.702(a)(4) and § 1.703(a)(6)) was met as all formal requirements were satisfied on March 15, 2002, and the patent was issued on July 9, 2002 (within four months of March 15, 2002). As the application (Application B) was pending for less than three years (from May 29, 2000, until July 9, 2002), there is no adjustment pursuant to 35 U.S.C. 154(b)(1)(B)(§ 1.702(b) and § 1.703(b)). In addition, as there was also no interference, secrecy order or appellate review in the application, there is no adjustment pursuant to 35 U.S.C. 154(b)(1)(C)(§ 1.702(b) through (e) and § 1.703(c) through (e)).

35 U.S.C. 154(b)(2)(C)(i) provides that the period of adjustment shall be reduced by the period of time during which applicant failed to engage in reasonable efforts to conclude prosecution of the application. Section 1.704(b) as proposed sets forth that any time periods in excess of three months taken to reply to any notice or action by the Office shall each be deemed failures to engage in reasonable efforts to conclude prosecution of an application, and that the period of adjustment shall be reduced by the period of time beginning on the date three months after the date of mailing of the Office communication notifying the applicant of the rejection, objection, argument, or other request and ending on the date the reply was filed. In this example, the period of time from three months after the written restriction (February 13, 2001) until the reply (April 6, 2001) is 52 days, and the period of time from three months after the notice of allowance (March 3, 2002) and the date the biological material deposit was made (March 15, 2002) is 12 days, for a total reduction under § 1.704(b) of 64 days. Sections 1.704(c)(1) through 1.704(c)(16) as proposed set forth actions or inactions, each of which further constitutes a failure by the applicant to engage in reasonable efforts to conclude prosecution of an application. As applicable in this example, proposed § 1.704(c)(6) provides that a failure to file the basic filing fee of an application on filing will result in a reduction of any period of adjustment (§ 1.703) by the period between the application filing date and the submission of the basic filing fee, and proposed § 1.704(c)(16) provides that the period of adjustment (§ 1.703) shall not include any period that is prior to the actual filing date of the application that resulted in the patent. In this example, the period of time from

filing of Application B (May 29, 2000) until submission of the basic filing fee (September 25, 2000) is 119 days, and the period of adjustment does not include any period that is prior to May 29, 2000 (the actual filing date of Application B).

Accordingly, the total period during which applicant failed to engage in reasonable efforts to conclude prosecution would be 64 days (1.704(b)) plus 119 days (1.704(c)) for a total of 183 days. It should be noted that the reduction attributed to the extension of time (§ 1.704(b)) may be reduced if a proper showing pursuant to § 1.705(c) is submitted after mailing of the notice of allowance and before or with payment of the issue fee.

In this example, the period of adjustment pursuant to 35 U.S.C. 154(b)(1)(§ 1.702 and § 1.703) is 35 days, which is reduced by the 183-day period in which applicant failed to engage in reasonable efforts to conclude prosecution (§ 1.704). Since 35 is less than 183, there is no adjustment to the term of the patent issuing on Application B, whose projected expiration date remains January 2, 2018.

In a second example: (1) An application is filed which includes a sequence listing as required by § 1.821(c) on March 1, 2001; (2) a PTOL-1661 Notice stating that the computer readable form (CRF) was not in compliance with the requirements of § 1.824 was mailed by the Office on April 1, 2001; (3) Applicant submits a substitute or corrected CRF on May 1, 2001; (4) a second PTOL-1661 Notice stating that the corrected or substitute CRF is not in compliance with the requirements of § 1.824 was mailed by the Office on June 1, 2001; (5) a second corrected CRF is submitted on July 1, 2001; (6) a third PTOL-1661 Notice stating that the corrected or substitute CRF is not in compliance with the requirements of § 1.824 was mailed by the Office on September 1, 2001; (7) a third corrected CRF is submitted on October 1, 2001; (8) a fourth PTOL-1661 Notice stating that the corrected or substitute CRF is not in compliance with the requirements of § 1.824 was mailed by the Office on December 1, 2002; (9) a fourth corrected CRF is submitted on January 1, 2002; (10) a fifth PTOL-1661 Notice stating that the corrected or substitute CRF is not in compliance with the requirements of § 1.824 was mailed by the Office on February 1, 2002; (11) a proper CRF submission is filed on March 1, 2002; (12) an Office action (first action on the merits) is mailed on July 1, 2002; (13) an amendment is filed in reply (§ 1.111) to that Office action on October 1, 2002;

(14) a second Office action is mailed on February 1, 2003; (15) an amendment is filed in reply to the second Office action on May 1, 2003; (16) a third (final) Office action is mailed on September 1, 2003; (17) an amendment is filed, which adopts the allowable subject matter noted in the final Office action, on November 1, 2003; (18) a notice of allowance and notice of allowability are mailed by the Office on December 1, 2003; (19) applicant provides the issue fee on January 1, 2004; (20) the patent issues on March 1, 2004.

The fourteen-month period set forth in 35 U.S.C. 154(b)(1)(A)(i) (§§ 1.702(a)(1) and 1.703(a)(1)) was not met by the mailing of the first Office action on July 1, 2002, by a 61-day period. The four-month time period set forth in 35 U.S.C. 154(b)(1)(A)(ii) (§ 1.702(a)(2) and § 1.703(a)(2)) was met for acting on the replies of October 1, 2002, May 1, 2003, and November 1, 2003. The four-month time period set forth in 35 U.S.C.

154(b)(1)(A)(iv)(§ 1.702(a)(4) and § 1.703(a)(6)) was met as all formal requirements were satisfied on January 1, 2004, and the patent was issued on March 1, 2004 (within four months of January 1, 2004). As the application was pending for three years (from March 1, 2001, to March 1, 2004), there is no adjustment pursuant to 35 U.S.C. 154(b)(1)(B)(§ 1.702(b) and § 1.703(b)). In addition, as there was also no interference, secrecy order or appellate review in the application, there is no adjustment pursuant to 35 U.S.C. 154(b)(1)(C)(§ 1.702(b) through (e) and § 1.703(c) through (e)).

35 U.S.C. 154(b)(2)(C)(i) provides that the period of adjustment shall be reduced by the period of time during which applicant failed to engage in reasonable efforts to conclude prosecution of the application. Sections 1.704(b) and 1.704(c)(1) through 1.704(c)(16) as proposed set forth actions or inactions, each of which constitutes a failure by the applicant to engage in reasonable efforts to conclude prosecution of an application. As applicable in this example, proposed § 1.704(c)(9) provides that a failure to file an application with a sequence listing in compliance with §§ 1.821 through 1.825 will result in a reduction of any period of adjustment (§ 1.703) by the period between the application filing date and the date a sequence listing in compliance with §§ 1.821 through 1.825 is submitted. In this example, the period of time from filing date (March 1, 2001) and the filing of the correct CRF submission (March 1, 2002) is 365 days.

In this example, the period of adjustment pursuant to 35 U.S.C. 154(b)(1)(§ 1.702 and § 1.703) is 61 days, which is reduced by the 365-day period in which applicant failed to engage in reasonable efforts to conclude prosecution (§ 1.704). Since 61 is less than 365, there is no adjustment to the term of the patent, whose projected expiration date remains March 1, 2021.

In a third example: (1) An international application is filed in the United States Receiving Office on January 1, 2001; (2) a Demand for international preliminary examination is filed on July 1, 2002; (3) the documents and fees to fulfill the requirements of 35 U.S.C. 371(c) (§ 1.495) were filed on July 1, 2003; (4) an Office action is mailed on November 1, 2003; (5) a reply to the first Office action is filed May 1, 2004, with a three-month extension of time; (6) a notice of allowance and notice of allowability are mailed on February 1, 2009; (7) applicant pays the issue fee on March 1, 2009; (8) patent issues on July 1, 2010.

The fourteen-month period set forth in 35 U.S.C. 154(b)(1)(A)(i) (§§ 1.702(a)(1) and 1.703(a)(1)) was met by the mailing of the first Office action on November 1, 2003, since the fourteen-month period is measured from the date on which the international application fulfilled the requirements of 35 U.S.C. 371 (35 U.S.C.

154(b)(1)(A)(i)(II)). The four-month time period set forth in 35 U.S.C. 154(b)(1)(A)(ii) (§ 1.702(a)(2) and § 1.703(a)(2)) was not met for acting on the reply of May 1, 2004, by a period of 1,614 days. The four-month time period set forth in 35 U.S.C.

154(b)(1)(A)(iv)(§ 1.702(a)(4) and § 1.703(a)(6)) was not met as all formal requirements were satisfied on March 1, 2009, and the patent was issued on July 1, 2010, 365 days after the expiration of the four-month time period (on July 1, 2009) for issuing the patent. The application was pending for more than three years from January 1, 2001, to July 1, 2010, without continued examination under 35 U.S.C. 132(b), a proceeding under 35 U.S.C. 135(a) (interference), an order under 35 U.S.C. 181 (secrecy order), or appellate review.

Therefore, there is an adjustment pursuant to 35 U.S.C. 154(b)(1)(B) (§ 1.702(b) and § 1.703(b)) of 2,373 days. As there was no interference, secrecy order or appellate review in the application, there is no adjustment pursuant to 35 U.S.C. 154(b)(1)(C)(§ 1.702(c) through (e) and § 1.703(c) through (e)).

35 U.S.C. 154(b)(2)(C)(i) provides that the period of adjustment shall be reduced by the period of time during

which applicant failed to engage in reasonable efforts to conclude prosecution of the application. Section 1.704(c) as proposed sets forth that any time periods in excess of three months taken to reply to any notice or action by the Office shall each be deemed failures to engage in reasonable efforts to conclude prosecution of an application, and that the period of adjustment shall be reduced by the period of time beginning on the date three months after the date of mailing of the Office communication notifying the applicant of the rejection, objection, argument, or other request and ending on the date the reply was filed. In this example, the period of time from three months after the Office action (November 1, 2003) until the reply (May 1, 2004) is 90 days. Sections 1.704(c)(1) through 1.704(c)(16) as proposed set forth actions or inactions, each of which further constitutes a failure by the applicant to engage in reasonable efforts to conclude prosecution of an application. As applicable in this example, proposed § 1.704(c)(7) provides that a failure to fulfill the requirements of 35 U.S.C. 371(c) and § 1.494 or § 1.495 in an international application will result in a reduction of any period of adjustment (§ 1.703) by the period between the date the application was filed under 35 U.S.C. 363 and the later date the application fulfilled the requirements of 35 U.S.C. 371(c) and § 1.494 or § 1.495 or, if the oath or declaration (§ 1.497) is not executed by all of the inventors, the earliest of the date the application was accorded status under § 1.47, or four months after a grantable petition under § 1.47 was filed. In this example, the period of time from filing (January 1, 2001) and fulfillment of 35 U.S.C. 371(c) and § 1.494 or § 1.495 (July 1, 2003) is 911 days. The total period during which applicant failed to engage in reasonable efforts to conclude prosecution would be 90 days (1.704(b)) plus 911 days (1.704(c)) for a total of 1,001 days.

As set forth in § 1.703(f), the term adjustment is the sum of the periods calculated under § 703(a)–(e), to the extent the periods are not overlapping, less the sum of the periods calculated under § 1.704. In this example, the period of adjustment pursuant to 35 U.S.C. 154(b)(1)(§ 1.703(b)) of 2,373 days overlaps entirely with the period of adjustment pursuant to 35 U.S.C. 154(b)(1)(§ 1.703(a)) of 1,979 days. Consequently, 1,001 days (the sum of the periods in which applicant failed to engage in reasonable efforts to conclude prosecution (§ 1.704)) is deducted from 2,373 days, which leaves a term adjustment of 1,372 days. As a result,

the projected expiration date of the patent is adjusted from January 1, 2021, to October 4, 2024.

Section 1.705 as proposed implements the provisions of 35 U.S.C. 154(b)(3) and (b)(4)(B).

Section 1.705(a) as proposed indicates that the notice of allowance will include notification of any patent term adjustment under 35 U.S.C. 154(b) (35 U.S.C. 154(b)(3)(B)(i)).

Section 1.705(b) as proposed provides that any request for review or reconsideration of the patent term adjustment indicated in the notice of allowance (except as provided in § 1.705(d)) and any request for reinstatement of all or part of the term reduced pursuant to § 1.704(b)(1) must be filed no later than payment of the issue fee but may not be filed earlier than the date of mailing of the notice of allowance. Section 1.705(b) as proposed provides that any such request must be by way of an application for patent term adjustment accompanied by the fee set forth in § 1.18(e) and a statement of the facts involved. Section 1.705(b) as proposed also provides that such statement of facts must specify: (1) The basis or bases under § 1.702 for the adjustment; (2) the relevant dates as specified in § 1.703(a) through (e) for which an adjustment is sought and the adjustment as specified in § 1.703(f) to which the patent is entitled; (3) whether the patent is subject to a terminal disclaimer and any expiration date specified in the terminal disclaimer; and (4) any circumstances during the prosecution of the application resulting in the patent that constitute a failure to engage in reasonable efforts to conclude processing or examination of such application as set forth in § 1.704 (or that there were no such circumstances). Since the Office must complete its determination of patent term adjustment before proceeding to issue the patent (35 U.S.C. 154(b)(3)(D)), the Office must require that such application for patent term adjustment be filed within a non-extendable time period and set forth with particularity why the Office's patent term adjustment determination is not correct. In the absence of these requirements, the issuance of the patent will be further delayed by a protracted patent term adjustment determination proceeding.

Section 1.705(c) as proposed implements the provisions of 35 U.S.C. 154(b)(3)(C). Section 1.705(c) as proposed specifically provides that a request for reinstatement of all or part of the time reduced pursuant to § 1.704(b)(1) for failing to reply to a rejection, objection, argument, or other request within three months of the date

of mailing of the Office communication notifying the applicant of the rejection, objection, argument, or other request must include: (1) the fee set forth in § 1.18(f); and (2) a showing to the satisfaction of the Director that, in spite of all due care, the applicant was unable to reply to the rejection, objection, argument, or other request within three months of the date of mailing of the Office communication notifying the applicant of the rejection, objection, argument, or other request. Section 1.705(c) as proposed also provides that the Office shall not grant any request for reinstatement for more than three additional months for each reply beyond three months of the date of mailing of the Office communication notifying the applicant of the rejection, objection, argument, or other request (35 U.S.C. 154(b)(3)(C)).

Since the Office is obligated to provide a determination of patent term adjustment under 35 U.S.C. 154(b) in the notice of allowance (*i.e.*, before the actual patent issue date), the Office must project (or estimate) the actual patent issue date and base its patent term adjustment determination on that projection. Thus, § 1.705(d) as proposed provides for a request to change the period of patent term adjustment in the event that the patent is issued on a date other than the projected date of issue and this change necessitates a revision of the patent term adjustment indicated in the notice of allowance. Section 1.705(d) specifically provides that if the patent is issued on a date other than the projected date of issue and this change necessitates a revision of the patent term adjustment indicated in the notice of allowance, the patent will indicate the revised patent term adjustment. Section 1.705(d) also provides that if the patent indicates a revised patent term adjustment due to the patent being issued on a date other than the projected date of issue, any request for reconsideration of the patent term adjustment indicated in the patent must be filed within thirty days of the date the patent issued and must comply with the requirements of § 1.705(b)(1) and § 1.705(b)(2).

Section 1.705(e) as proposed provides that the periods set forth in this section are not extendable. As discussed above, the Office must set non-extendable time periods in § 1.705 to avoid delay in the issuance of the patent.

Section 1.705(f) as proposed implements the provisions of 35 U.S.C. 154(b)(4)(B), and provides that no submission or petition on behalf of a third party concerning patent term adjustment under 35 U.S.C. 154(b) will be considered by the Office, and that

any such submission or petition, will be returned to the third party, or otherwise disposed of, at the convenience of the Office.

#### *Classification*

#### *Regulatory Flexibility Act*

The Chief Counsel for Regulation of the Department of Commerce certified to the Chief Counsel for Advocacy, Small Business Administration, that the changes proposed in this notice, if adopted, would not have a significant impact on a substantial number of small entities (Regulatory Flexibility Act, 5 U.S.C. 605(b)). This rulemaking implements the provisions of §§ 4401 and 4402 of the "American Inventors Protection Act of 1999." The changes proposed in this notice (if adopted) would provide procedures for the Office's patent term adjustment determination and for filing an application to request reconsideration of the Office's patent term adjustment determination.

The Office mails a notice of allowance in roughly 160,000 applications each year. The Office's patent term adjustment determination will be a calculation based upon time periods involving the dates of various actions by the Office and the applicant during the application process. Because of the number of actions by the Office and the applicant during the application process, the Office anticipates that there will be disagreement on at least one of these dates in roughly fifteen percent of applications (24,000). Based upon the percentage of applicants who are small entities (thirty percent), the Office expects that 7,200 small entities will file an application requesting reconsideration of a patent term adjustment determination each year. Since a small entity applicant who exercises reasonable due care or diligence should be able to reply to any Office action or notice within three months, the Office does not anticipate that any small entities will file a request for reinstatement of reduced patent term adjustment (based upon a showing that the applicant was unable to reply to an Office action or notice within three months in spite of all due care).

Filing an application requesting reconsideration of a patent term adjustment determination (as well as a request for reinstatement of reduced patent term adjustment) is optional. To obtain any benefit from an application requesting reconsideration of the Office's patent term adjustment determination, the applicant must plan to pay the three maintenance fees required by law (35 U.S.C. 41(b)) to

maintain a patent in force until the end of the non-adjusted patent term as specified in 35 U.S.C. 154. The current first, second, and third maintenance fees are \$415.00, \$950.00, and \$1,455.00, respectively. Since the fee (\$200.00) for filing an application requesting reconsideration of the Office's patent term adjustment determination is less than one-tenth of the combined cost of these three maintenance fees (and the fee (\$450.00) for filing a request for reinstatement of reduced patent term adjustment is less than one-sixth of the combined cost of these three maintenance fees), there will not be a significant economic impact on a substantial number of small entities due to the procedures for requesting reconsideration of the Office's patent term adjustment determination.

#### *Executive Order 13132*

This rulemaking does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (August 4, 1999).

#### *Executive Order 12866*

This rulemaking has been determined to be not significant for purposes of Executive Order 12866 (September 30, 1993).

#### *Paperwork Reduction Act*

This notice of proposed rulemaking involves information collection requirements which are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). The collection of information involved in this notice of proposed rulemaking has been reviewed and previously approved by OMB under OMB control number 0651-0020.

As required by the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)), the Patent and Trademark Office has submitted an information collection package to OMB for its review and approval of the proposed information collections under OMB control number 0651-0020. The Patent and Trademark Office is submitting this information collection to OMB for its review and approval because this notice of proposed rulemaking will add the request for reconsideration of a patent term adjustment determination by the Patent and Trademark Office and the request for reinstatement of reduced patent term adjustment (based upon a showing that the applicant was unable to reply to an Office action or notice within three months in spite of all due care) provided for in 35 U.S.C. 154(b)(3) to that collection.

The title, description, and respondent description of the information collection is shown below with an estimate of the annual reporting burdens. Included in this estimate is the time for reviewing instructions, gathering, and maintaining the data needed, and completing and reviewing the collection of information. The principal impact of the changes in this notice of proposed rulemaking is to implement the changes to Office practice necessitated by § 4402 of the "American Inventors Protection Act of 1999" (enacted into law by § 1000(a)(9), Division B, of Public Law 106-113).

*OMB Number:* 0651-0020.

*Title:* Patent Term Extension.

*Form Numbers:* None.

*Type of Review:* Approved through September of 2001.

*Affected Public:* Individuals or households, businesses or other for-profit, not-for-profit institutions, farms, Federal Government, and state, local, or tribal governments.

*Estimated Number of Respondents:* 26,857.

*Estimated Time Per Response:* 1.15 hour.

*Estimated Total Annual Burden Hours:* 30,902 hours.

*Needs and Uses:* The information supplied to the Patent and Trademark Office by an applicant requesting reconsideration of a patent term adjustment determination under 35 U.S.C. 154(b) (proposed § 1.702 *et seq.*) is used by the Patent and Trademark Office to determine whether its determination of patent term adjustment under 35 U.S.C. 154(b) is correct, and whether the applicant is entitled to reinstatement of reduced patent term adjustment. The information supplied to the Patent and Trademark Office by an applicant seeking a patent term extension under 35 U.S.C. 156 (§ 1.710 *et seq.*) is used by the Patent and Trademark Office, the Department of Health and Human Services, and the Department of Agriculture to determine the eligibility of a patent for extension and to determine the period of any such extension. The applicant can apply for patent term and interim extensions, petition the Patent and Trademark Office to review final eligibility decisions, withdraw patent term applications, and declare his or her eligibility to apply for a patent term extension.

*Comments are invited on:* (1) Whether the collection of information is necessary for proper performance of the functions of the agency; (2) the accuracy of the agency's estimate of the burden; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the

burden of the collection of information to respondents.

Interested persons are requested to send comments regarding these information collections, including suggestions for reducing this burden, to Robert J. Spar, Director, Special Program Law Office, Patent and Trademark Office, Washington, D.C. 20231, or to the Office of Information and Regulatory Affairs of OMB, New Executive Office Building, 725 17th Street, N.W., Room 10235, Washington, D.C. 20503, Attention: Desk Officer for the Patent and Trademark Office.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

#### **List of Subjects in 37 CFR Part 1**

Administrative practice and procedure, Courts, Freedom of information, Inventions and patents, Reporting and recordkeeping requirements, Small businesses.

For the reasons set forth in the preamble, 37 CFR Part 1 is proposed to be amended as follows:

#### **PART 1—RULES OF PRACTICE IN PATENT CASES**

1. The authority citation for 37 CFR Part 1 is revised to read as follows:

**Authority:** 35 U.S.C. 2(b)(2), unless otherwise noted.

2. Section 1.18 is amended by revising the section heading, adding and reserving paragraph (d), and adding paragraphs (e) and (f) to read as follows:

#### **§ 1.18 Patent post allowance (including issue) fees.**

\* \* \* \* \*

(d) [Reserved]

(e) For filing an application for patent term adjustment under § 1.705—\$200.00

(f) For filing a request for reinstatement of all or part of the term reduced pursuant to § 1.704(b) in an application for patent term adjustment under § 1.705—\$450.00

#### **Subpart F—Adjustment and Extension of Patent Term**

3. The heading of subpart F is revised to read as set forth above.

4. An undesignated center heading is added to Subpart F § 1.701 to read as follows:

## ADJUSTMENT OF PATENT TERM DUE TO EXAMINATION DELAY

5. Section 1.701 is amended by revising the section heading and adding paragraph (e) to read as follows:

**§ 1.701 Extension of patent term due to examination delay under the Uruguay Round Agreements Act (original applications, other than designs, filed on or after June 8, 1995, and before May 29, 2000).**

\* \* \* \* \*

(e) The provisions of this section apply only to original patents, except for design patents, issued on applications filed on or after June 8, 1995.

6. Sections 1.702 through 1.705 are added to read as follows:

**§ 1.702 Grounds for adjustment of patent term due to examination delay under the Patent Term Guarantee Act of 1999 (original applications, other than designs, filed on or after May 29, 2000).**

(a) *Failure to take certain actions within specified time frames.* Subject to the provisions of 35 U.S.C. 154(b) and this subpart, the term of an original patent shall be adjusted if the issuance of the patent was delayed due to the failure of the Office to:

(1) Mail at least one of a notification under 35 U.S.C. 132 or a notice of allowance under 35 U.S.C. 151 not later than fourteen months after the date on which the application was filed under 35 U.S.C. 111(a) or fulfilled the requirements of 35 U.S.C. 371;

(2) Respond to a reply under 35 U.S.C. 132 or to an appeal taken under 35 U.S.C. 134 not later than four months after the date on which the reply was filed or the appeal was taken;

(3) Act on an application not later than four months after the date of a decision by the Board of Patent Appeals and Interferences under 35 U.S.C. 134 or 135 or a decision by a Federal court under 35 U.S.C. 141, 145, or 146 where allowable claims remain in the application; or

(4) Issue a patent not later than four months after the date on which the issue fee was paid under 35 U.S.C. 151 and all outstanding requirements were satisfied.

(b) *Failure to issue a patent within three years of the actual filing date of the application.* Subject to the provisions of 35 U.S.C. 154(b) and this subpart, the term of an original patent shall be adjusted if the issuance of the patent was delayed due to the failure of the Office to issue a patent within three years after the actual filing date of the application, not including:

(1) Any time consumed by continued examination of the application under 35 U.S.C. 132(b);

(2) Any time consumed by an interference proceeding under 35 U.S.C. 135(a);

(3) Any time consumed by the imposition of a secrecy order under 35 U.S.C. 181;

(4) Any time consumed by review by the Board of Patent Appeals and Interferences or a Federal court; or

(5) Any delay in the processing of the application by the Office that was requested by the applicant.

(c) *Delays caused by interference proceedings.* Subject to the provisions of 35 U.S.C. 154(b) and this subpart, the term of an original patent shall be adjusted if the issuance of the patent was delayed due to interference proceedings under 35 U.S.C. 135(a).

(d) *Delays caused by secrecy order.* Subject to the provisions of 35 U.S.C. 154(b) and this subpart, the term of an original patent shall be adjusted if the issuance of the patent was delayed due to the application being placed under a secrecy order under 35 U.S.C. 181.

(e) *Delays caused by successful appellate review.* Subject to the provisions of 35 U.S.C. 154(b) and this subpart, the term of an original patent shall be adjusted if the issuance of the patent was delayed due to review by the Board of Patent Appeals and Interferences under 35 U.S.C. 134 or by a Federal court under 35 U.S.C. 141 or 145, if the patent was issued pursuant to a decision reversing an adverse determination of patentability.

(f) The provisions of this section and §§ 1.703 through 1.705 apply only to original applications, except applications for a design patent, filed on or after May 29, 2000, and patents issued on such applications.

**§ 1.703 Period of adjustment of patent term due to examination delay.**

(a) The period of adjustment under § 1.702(a) is the sum of the following periods, to the extent that the periods are not overlapping:

(1) The number of days, if any, in the period beginning on the date fourteen months after the date on which the application was filed under 35 U.S.C. 111(a) or fulfilled the requirements of 35 U.S.C. 371 and ending on the date of mailing of either an action under 35 U.S.C. 132, or a notice of allowance under 35 U.S.C. 151, whichever occurs first;

(2) The number of days, if any, in the period beginning on the date four months after the date a reply under § 1.111 was filed and ending on the date of mailing of an action under 35 U.S.C. 132, or a notice of allowance under 35 U.S.C. 151, whichever occurs first;

(3) The number of days, if any, in the period beginning on the date four months after the date a reply in compliance with § 1.113 was filed and ending on the date of mailing of an action under 35 U.S.C. 132, or a notice of allowance under 35 U.S.C. 151, whichever occurs first;

(4) The number of days, if any, in the period beginning on the date four months after the date a notice of appeal to the Board of Patent Appeals and Interferences under 35 U.S.C. 134 and § 1.191 was filed and ending on the date of mailing of an examiner's answer under § 1.193, an action under 35 U.S.C. 132, or a notice of allowance under 35 U.S.C. 151, whichever occurs first;

(5) The number of days, if any, in the period beginning on the date four months after the date of a final decision by the Board of Patent Appeals and Interferences or by a Federal court in an appeal under 35 U.S.C. 141 or a civil action under 35 U.S.C. 145 or 146 in an application containing allowable claims and ending on the date of mailing of either an action under 35 U.S.C. 132 or a notice of allowance under 35 U.S.C. 151, whichever occurs first; and

(6) The number of days, if any, in the period beginning on the date four months after the date the issue fee was paid and all outstanding requirements were satisfied and ending on the date a patent was issued.

(b) The period of adjustment under § 1.702(b) is the number of days, if any, in the period beginning on the date three years after the actual filing date of the application and ending on the date a patent was issued, but not including the sum of the following periods:

(1) The number of days, if any, in the period beginning on the date on which a request for continued examination of the application under 35 U.S.C. 132(b) was filed and ending on the date the patent was issued;

(2)(i) The number of days, if any, in the period beginning on the date an interference was declared or redeclared to involve the application in the interference and ending on the date that the interference was terminated with respect to the application; and

(ii) The number of days, if any, in the period beginning on the date prosecution in the application was suspended by the Office due to interference proceedings under 35 U.S.C. 135(a) not involving the application and ending on the date of the termination of the suspension;

(3)(i) The number of days, if any, the application was maintained in a sealed condition under 35 U.S.C. 181;

(ii) The number of days, if any, in the period beginning on the date of mailing

of an examiner's answer under § 1.193 in the application under secrecy order and ending on the date the secrecy order was removed;

(iii) The number of days, if any, in the period beginning on the date applicant was notified that an interference would be declared but for the secrecy order and ending on the date the secrecy order was removed; and

(iv) The number of days, if any, in the period beginning on the date of notification under § 5.3(c) of this chapter and ending on the date of mailing of the notice of allowance under § 1.311; and,

(4) The number of days, if any, in the period beginning on the date on which a notice of appeal to the Board of Patent Appeals and Interferences was filed under 35 U.S.C. 134 and § 1.191 and ending on the date of a final decision by the Board of Patent Appeals and Interferences or by a Federal court in an appeal under 35 U.S.C. 141 or a civil action under 35 U.S.C. 145.

(c) The period of adjustment under § 1.702(c) is the sum of the following periods, to the extent that the periods are not overlapping:

(1) The number of days, if any, in the period beginning on the date an interference was declared or redeclared to involve the application in the interference and ending on the date that the interference was terminated with respect to the application; and

(2) The number of days, if any, in the period beginning on the date prosecution in the application was suspended by the Office due to interference proceedings under 35 U.S.C. 135(a) not involving the application and ending on the date of the termination of the suspension.

(d) The period of adjustment under § 1.702(d) is the sum of the following periods, to the extent that the periods are not overlapping:

(1) The number of days, if any, the application was maintained in a sealed condition under 35 U.S.C. 181;

(2) The number of days, if any, in the period beginning on the date of mailing of an examiner's answer under § 1.193 in the application under secrecy order and ending on the date the secrecy order was removed;

(3) The number of days, if any, in the period beginning on the date applicant was notified that an interference would be declared but for the secrecy order and ending on the date the secrecy order was removed; and

(4) The number of days, if any, in the period beginning on the date of notification under § 5.3(c) of this chapter and ending on the date of

mailing of the notice of allowance under § 1.311.

(e) The period of adjustment under § 1.702(e) is the sum of the number of days, if any, in the period beginning on the date on which a notice of appeal to the Board of Patent Appeals and Interferences was filed under 35 U.S.C. 134 and § 1.191 and ending on the date of a final decision in favor of the applicant by the Board of Patent Appeals and Interferences or by a Federal court in an appeal under 35 U.S.C. 141 or a civil action under 35 U.S.C. 145.

(f) The adjustment will run from the expiration date of the patent as set forth in 35 U.S.C. 154(a)(2). To the extent that periods of adjustment attributable to the grounds specified in § 1.702 overlap, the period of adjustment granted under this section shall not exceed the actual number of days the issuance of the patent was delayed. The term of a patent entitled to adjustment under § 1.702 and this section shall be adjusted for the sum of the periods calculated under paragraphs (a) through (e) of this section, to the extent that such periods are not overlapping, less the sum of the periods calculated under § 1.704. The date indicated on any certificate of mailing or transmission under § 1.8 shall not be taken into account in this calculation.

(g) No patent the term of which has been disclaimed beyond a specified date shall be adjusted under § 1.702 and this section beyond the expiration date specified in the disclaimer.

#### **§ 1.704 Reduction of period of adjustment of patent term.**

(a) The period of adjustment of the term of a patent under § 1.703(a) through (e) 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 (processing or examination) of the application.

(b) With respect to the ground for adjustment set forth in § 1.702(a) through (e), and in particular the ground of adjustment set forth in § 1.702(b), an applicant shall be deemed to have failed to engage in reasonable efforts to conclude processing or examination of the application for the cumulative total of any periods of time in excess of three months that are taken to reply to any notice or action by the Office making any rejection, objection, argument, or other request, measuring such three-month period from the date the notice or action was mailed or given to the applicant, in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any,

beginning on the date three months after the date of mailing of the Office communication notifying the applicant of the rejection, objection, argument, or other request and ending on the date the reply was filed.

(c) Circumstances that constitute a failure of the applicant to engage in reasonable efforts to conclude processing or examination of the application also include the following circumstances, which will result in the following reduction of the period of adjustment set forth in § 1.703 to the extent that the periods are not overlapping:

(1) Suspension of action under § 1.103 at the applicant's request, in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date a request for suspension of action under § 1.103 was filed and ending on the date of the termination of the suspension;

(2) Deferral of issuance of a patent under § 1.314, in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date a request for deferral of issuance of a patent under § 1.314 was filed and ending on the date the patent was issued;

(3) Abandonment of the application or late payment of the issue fee, in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date of abandonment or the date after the day the issue fee was due and ending on the date of mailing of the decision reviving the application or accepting late payment of the issue fee;

(4) Failure to file a petition to withdraw the holding of abandonment or to revive an application within two months from the mailing date of a notice of abandonment, in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date two months from the mailing date of a notice of abandonment and ending on the date a petition to withdraw the holding of abandonment or to revive the application was filed;

(5) Conversion of a provisional application under 35 U.S.C. 111(b) to a nonprovisional application under 35 U.S.C. 111(a) pursuant to 35 U.S.C. 111(b)(5), in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date the application was filed under 35 U.S.C. 111(b) and ending on the date a request in compliance with § 1.53(c)(3) to convert the provisional application into a nonprovisional application was filed;

(6) Failure to file the basic filing fee (§ 1.16(a) or (g)), any English language translation required by § 1.52(d), or an oath or declaration (§ 1.63) executed by all of the inventors in an application under 35 U.S.C. 111(a), in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date the application was filed and ending on the later of the date the applicant supplied the basic filing fee (§ 1.16), supplied any English language translation required by § 1.52(d), and either supplied an oath or declaration (§ 1.63) executed in compliance with § 1.64 or, if the oath or declaration was not executed by all of the inventors, the earliest of date the application was accorded status under § 1.47 or four months after a grantable petition under § 1.47 was filed;

(7) Failure to fulfill the requirements of 35 U.S.C. 371(c) and § 1.494 or § 1.495 in an international application, in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date the application was filed under 35 U.S.C. 363 and the later of the date the application fulfilled the requirements of 35 U.S.C. 371(c) and § 1.494 or § 1.495 or, if the oath or declaration (§ 1.497) is not executed by all of the inventors, the earliest of date the application was accorded status under § 1.47 or four months after a grantable petition under § 1.47 was filed;

(8) Failure to request the national stage of processing in an international application if the application fulfills the requirements of 35 U.S.C. 371(c) and § 1.494 or § 1.495 before the expiration of the applicable time period set forth in § 1.494(b) or § 1.495(b), in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date the application was filed under 35 U.S.C. 363 and ending on the earlier of date of expiration of the applicable time period in § 1.494(b) or § 1.495(b) or the date on which an express request for national stage of processing is filed;

(9) Failure to file an application with a specification on papers in compliance with § 1.52 and having a title and abstract in compliance with § 1.72, drawings in compliance with § 1.84 (if applicable), and a sequence listing in compliance with §§ 1.821 through 1.825 (if applicable), in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the filing date of the application and ending on the date the application contains a specification on papers in compliance with § 1.52 and having an abstract (§ 1.72(b)), drawings

in compliance with § 1.84 (if applicable), and a sequence listing in compliance with §§ 1.821 through 1.825 (if applicable);

(10) Submission of a preliminary amendment or other preliminary paper less than one month before the mailing of an Office action under 35 U.S.C. 132 or notice of allowance under 35 U.S.C. 151 that requires the mailing of a supplemental Office action or notice of allowance, in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the mailing date of the original Office action or notice of allowance and ending on the mailing date of the supplemental Office action or notice of allowance;

(11) Submission of a reply having an omission under § 1.135(c), in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date the reply having an omission was filed and ending on the date that the omission was filed;

(12) Submission of a supplemental reply or other paper after a reply has been filed, in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date the initial reply was filed and ending on the date that the supplemental reply or other such paper was filed;

(13) Failure to file an appeal brief (and brief fee) in compliance with § 1.192 with a notice of appeal to the Board of Patent Appeals and Interferences under 35 U.S.C. 134 and § 1.191, in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the date a notice of appeal to the Board of Patent Appeals and Interferences under 35 U.S.C. 134 and § 1.191 was filed and ending on the day an appeal brief in compliance with § 1.192 was filed, or, if no appeal brief under § 1.192 is filed, ending on the day an amendment in compliance with § 1.113 was filed;

(14) Submission of an amendment or other paper after a decision by the Board of Patent Appeals and Interferences, other than a decision designated as containing a new ground of rejection under § 1.196(b) or statement under § 1.196(c), or a decision by a Federal court less than one month before the mailing of an Office action under 35 U.S.C. 132 or notice of allowance under 35 U.S.C. 151 that requires the mailing of a supplemental Office action or supplemental notice of allowance, in which case the period of adjustment set forth in § 1.703 shall be reduced by the number of days, if any, beginning on the

mailing date of the original Office action or notice of allowance and ending on the mailing date of the supplemental Office action or notice of allowance;

(15) Submission of an amendment under § 1.312 or other paper after a notice of allowance has been given or mailed, in which case the period of adjustment set forth in § 1.703 shall be reduced by the lesser of:

(i) The number of days, if any, beginning on the date the amendment under § 1.312 or other paper was filed and ending on the mailing date of the Office action or notice in response to the amendment under § 1.312 or such other paper; or

(ii) Four months; and

(16) Further prosecution via a continuing application, in which case the period of adjustment set forth in § 1.703 shall not include any period that is prior to the actual filing date of the application that resulted in the patent.

#### **§ 1.705 Patent term adjustment determination.**

(a) The notice of allowance will include notification of any patent term adjustment under 35 U.S.C. 154(b).

(b) Any request for reconsideration of the patent term adjustment indicated in the notice of allowance, except as provided in paragraph (d) of this section, and any request for reinstatement of all or part of the term reduced pursuant to § 1.704(b) must be by way of an application for patent term adjustment. An application for patent term adjustment under this section must be filed no later than payment of the issue fee but may not be filed earlier than the date of mailing of the notice of allowance. An application for patent term adjustment under this section must be accompanied by:

(1) The fee set forth in § 1.18(e); and

(2) A statement of the facts involved, specifying:

(i) The correct patent term adjustment and the basis or bases under § 1.702 for the adjustment;

(ii) The relevant dates as specified in § 1.703(a) through (e) for which an adjustment is sought and the adjustment as specified in § 1.703(f) to which the patent is entitled;

(iii) Whether the patent is subject to a terminal disclaimer and any expiration date specified in the terminal disclaimer; and

(iv)(A) Any circumstances during the prosecution of the application resulting in the patent that constitute a failure to engage in reasonable efforts to conclude processing or examination of such application as set forth in § 1.704; or

(B) That there were no circumstances constituting a failure to engage in

reasonable efforts to conclude processing or examination of such application as set forth in § 1.704.

(c) Any application for patent term adjustment under this section that requests reinstatement of all or part of the term reduced pursuant to § 1.704(b) for failing to reply to a rejection, objection, argument, or other request within three months of the date of mailing of the Office communication notifying the applicant of the rejection, objection, argument, or other request must also be accompanied by:

(1) The fee set forth in § 1.18(f); and  
(2) A showing to the satisfaction of the Director that, in spite of all due care, the applicant was unable to reply to the rejection, objection, argument, or other request within three months of the date of mailing of the Office communication notifying the applicant of the rejection, objection, argument, or other request. The Office shall not grant any request for reinstatement for more than three additional months for each reply beyond three months of the date of mailing of the Office communication notifying the applicant of the rejection, objection, argument, or other request.

(d) If the patent is issued on a date other than the projected date of issue and this change necessitates a revision of the patent term adjustment indicated in the notice of allowance, the patent will indicate the revised patent term adjustment. If the patent indicates a revised patent term adjustment due to the patent being issued on a date other than the projected date of issue, any request for reconsideration of the patent term adjustment indicated in the patent must be filed within thirty days of the date the patent issued and must comply with the requirements of paragraphs (b)(1) and (b)(2) of this section.

(e) The periods set forth in this section are not extendable.

(f) No submission or petition on behalf of a third party concerning patent term adjustment under 35 U.S.C. 154(b) will be considered by the Office. Any such submission or petition will be returned to the third party, or otherwise disposed of, at the convenience of the Office.

7. A undesignated center heading is added to Subpart F before § 1.710 to read as follows:

**EXTENSION OF PATENT TERM DUE TO REGULATORY REVIEW**

Dated: March 24, 2000.

**Q. Todd Dickinson,**

*Assistant Secretary of Commerce and Commissioner of Patents and Trademarks.*  
[FR Doc. 00-7938 Filed 3-30-00; 8:45 am]

**BILLING CODE 3510-16-P**

**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 52**

[CA-207-0228; FRL-6570-3]

**Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision; Antelope Valley Air Pollution Control District and South Coast Air Quality Management District**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** EPA is proposing a disapproval of revisions to the California State Implementation Plan (SIP) in the Antelope Valley Air Pollution Control District (AVAPCD) and South Coast Air Quality Management District (SCAQMD). These revisions would allow the district the discretion to suspend district rules, regulations or orders in the event of a state or federally declared state of emergency. EPA has evaluated these revisions and is proposing to disapprove them because they would weaken the SIP.

**DATES:** Comments on this proposed action must be received by May 1, 2000.

**ADDRESSES:** Comments may be mailed to: Andrew Steckel, Chief, Rulemaking Office (AIR-4), Air Division, U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105-3901.

Copies of the rules are available for public inspection at EPA's Region IX office during normal business hours. Copies of the submitted rules are also available for inspection at the following locations:

California Air Resources Board, Stationary Source Division, Rule Evaluation Section, 2020 L Street, Sacramento, CA 95812

Antelope Valley Air Pollution Control District, 315 W. Pondera Street, Lancaster, California 93534

South Coast Air Quality Management District, 21865 E. Copley Drive, Diamond Bar, CA 91765

**FOR FURTHER INFORMATION CONTACT:** Cynthia G. Allen, Rulemaking Office (AIR-4), Air Division, U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105, Telephone (415) 744-1189.

**SUPPLEMENTARY INFORMATION:**

**I. Applicability**

The rules being proposed for disapproval are Antelope Valley Air Pollution Control District (AVAPCD)

and South Coast Air Quality Management District (SCAQMD) Rule 118, Emergencies. Rule 118 was submitted to EPA by the California Air Resources Board on March 10, 1998 and May 18, 1998, respectively.

**II. Background**

This document addresses EPA's proposed action for Antelope Valley Air Pollution Control District (AVAPCD) and South Coast Air Quality Management District (SCAQMD) Rule 118, Emergencies. These rules were adopted by AVAPCD on August 19, 1997 and by SCAQMD on December 7, 1995. These rules were found to be complete on May 21, 1998 for AVAPCD and on July 17, 1998 for SCAQMD, pursuant to EPA's completeness criteria that are set forth in 40 CFR part 51, appendix V.<sup>1</sup>

**III. EPA Evaluation and Proposed Action**

In determining the approvability of a rule, EPA must evaluate the rule for consistency with the requirements of the CAA and EPA regulations, as found in section 110 and part D of the CAA and 40 CFR part 51 (Requirements for Preparation, Adoption and Submittal of Implementation Plans). EPA's interpretation of these requirements, which forms the basis for this action, appears in EPA policy guidance documents. In general, the guidance documents have been set forth to ensure that submitted rules meet Federal requirements, are fully enforceable, and strengthen or maintain the SIP.

There is currently no version of Antelope Valley or South Coast Rule 118, Emergencies, in the SIP. The submitted rules include the following:

- Definitions of various terms used in the rule;
- Executive Officer authority to suspend AQMD rules; regulations, or orders in the event of a state or federally-declared State of Emergency; and
- Guidelines for suspending or modifying compliance with existing rules, regulations, or permit conditions, and provisions allowing extension of suspension beyond the state of emergency.

Rules submitted to EPA for approval as revisions to the SIP must be fully enforceable, must maintain or strengthen the SIP, and must conform with EPA policy in order to be approved by EPA. AVAPCD and SCAQMD Rules 118 weaken, rather than strengthen or

<sup>1</sup> EPA adopted the completeness criteria on February 16, 1990 (55 FR 5830) and, pursuant to section 110(k)(1)(A) of the CAA, revised the criteria on August 26, 1991 (56 FR 42216).