

June 1, 2000

Honorable Q. Todd Dickinson
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
United States Department of Commerce
Box Comments - Patents
Washington, D.C. 20231

Attn: Karin L. Tyson

Re: AIPLA Comments on the Notice of Proposed Rulemaking Entitled
“Changes to Implement Patent Term Adjustment Under Twenty-
Year Patent Term” 65 Fed. Reg. 17215 (March 31, 2000)

Dear Under Secretary Dickinson:

The American Intellectual Property Law Association (AIPLA) appreciates the opportunity to present its views on the notice of proposed rulemaking entitled “Changes to Implement Patent Term Adjustment Under Twenty-Year Patent Term,” published in the *Federal Register* on March 31, 2000.

The AIPLA is a national bar association of more than 10,000 members engaged in private and corporate practice, in government service, and in the academic community. The AIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property.

At the outset, the AIPLA would like to compliment the Office for its efforts in providing detailed guidance to the user community regarding how it intends to implement the Patent Term Adjustment provisions of the American Inventors Protection Act. While we take issue with respect to certain of the proposed rules, this in no way diminishes our appreciation for the efforts of the Office to promulgate useful and complete rules.

The following comments are offered on the proposed rules.

Proposed section 1.703(f) provides that the dates on certificates of mailing or transmission used to determine timeliness under section 1.8 shall not be used for calculating periods of adjustment of patent term. This proposal introduces needless complexity and would penalize patent applicants, who file by using the mail, for delays in the Postal Service. If the date on a certificate of mailing can be taken into account

for purposes of determining timeliness, it should also be taken into account for purposes of calculating patent term adjustments. Patent applicants should not be compelled to hand carry papers to the Office, or to use Express Mail service, in order to be able to accurately and reliably calculate periods of adjustment.

Proposed section 1.704(b) provides for reduction of the period of adjustment for responding more than three months after an Office action or notice. The preamble Discussion of Specific Rules points out that this reduction applies even if the Office action or notice set a period for response longer than three months, e.g., six months. See 65 Fed. Reg. 17218 (March 31, 2000). This subtle point should be included in the language of the rule and should be expressly mentioned in any communications by the Office where a six-month period for reply is set and this reduction is applicable.

Proposed section 1.704(c): The preamble Discussion of Specific Rules states at 65 Fed. Reg. 17218 that 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@ The AIPLA would have no objection to a rule which actually was limited to actions or inactions which delayed examination by the USPO. However, some of the provisions of the proposed rule go well beyond this, and propose reduction of the period of adjustment of patent term for actions or inactions by applicants which do not interfere with the Office's ability to examine applications. Thus, the proposed rule is inconsistent with the intent of the Act, and would place undue and unnecessary burdens on patent applicants.

Two examples are given in the preamble Discussion of Specific Rules at 65 Fed. Reg. 17219, which are not included in the proposed rules. While we understand and support the purpose of these examples, we are concerned that their implementation could prove to be problematic, both for the Office and for applicants if clear guidance is not developed. One example suggests that an applicant should be penalized for filing and persisting "in requesting reconsideration of a meritless petition under ' 1.10." Without clear guidance and access to decisions that the Office might make in such cases, it would be difficult for the public and the Office to be able to determine in an objective manner whether a petition is meritless. On the other hand, we agree with the intent underlying this example: applicants should not be permitted to file endless petitions to delay prosecution of applications and still benefit from the three-year term guarantee. Perhaps the best approach will be for the Office to ensure to the maximum extent possible that examiners faithfully follow the MPEP and thus render such petitions unnecessary. The other example suggests that an applicant could be penalized for trying to obtain allowance of broader claims than an examiner suggests. Applicants seeking the broadest claims to which they are entitled should be recognized as conducting appropriate prosecution of an application, rather than as a delay in examination, particularly where an examiner has suggested a "picture" claim. We appreciate the motivation underlying this example, but again perhaps the appropriate solution is for examiners to strictly follow the examination practice in the MPEP and to ensure that the issues are reached as quickly as possible, preferably by the second Office action. We do not, however, wish to be understood as saying that abusive practices never occur or that they should not be dealt with when they do.

In proposed section 1.704(c)(2), the period of reduction is equal to the time period between the date a request for deferral from issuance was filed and the issue date of the patent. This is manifestly unfair to the applicant because it includes the time period expended by the USPTO in printing or processing the patent. When a petition to defer is granted, the application file is taken out of the printing cycle until the end of the deferred period. The application is then returned to the printing cycle to complete the patent granting process. Applicant is not responsible for USPTO printing process time that occurs after the deferred period is over.

In proposed section 1.704(c)(3), the period of reduction again includes delays that are solely the responsibility of the appropriate USPTO staff. The proposed reduction period runs from the date of abandonment to the date a favorable decision is mailed. This period may include long periods of time that the USPTO takes to retrieve the file and address the petition. An applicant should not be charged with the periods of time beyond four months from filing the petition that the USPTO requires to act on the petition, such as proposed in section 1.704(c)(15).

While we do not disagree with section 1.704(c)(4) which holds an applicant accountable for taking more than two months to petition for the correction of an error by the Office in improperly holding an application abandoned, account must be taken of situations where the applicant is truly blameless. For example, in a case where an application has been mistakenly held to be abandoned and the applicant can prove that the notification of abandonment was never received, and the applicant has otherwise acted reasonably in following-up on the case, such an applicant should not suffer a reduction in patent term adjustment.

In proposed section 1.704(c)(5), the reduction of term adjustment for conversion from a provisional application to a nonprovisional application should only offset the adjustment periods of proposed section 1.703(a)(1) and (b). For example, the conversion to a nonprovisional application should have no effect on a term adjustment under section 1.703(a)(2) when the USPTO takes longer than four months to act after a reply under section 1.111 is filed.

Proposed section 1.704(c)(6) provides that all the time taken by an applicant to complete the requirements of a patent application will be considered a lack of reasonable effort to conclude examination. As a practical matter, in most cases, delays in satisfying all requirements for a complete patent application have no affect on the ability or speed of the USPTO in conducting the examination process. Unless the USPTO can demonstrate that examination has actually been delayed, an applicant should not be penalized for delays in filing the parts of an application identified in this paragraph.

Proposed section 1.704(c)(7) provides that the time to enter the national stage in the United States measured from the international filing date will be considered to constitute a lack of reasonable effort. This is unfair to applicants who use the PCT. It will discourage the use of PCT by applicants concerned with patent term adjustments, and is not consistent with the apparent intent of the patent term guarantee provision as it relates to international applications. Conference Report 106-464 (November 9,1999), at page 126, states that the applicable language of the statute "was intentionally selected to exclude the filing

date of an application under the Patent Cooperation Treaty (PCT). Otherwise, an applicant could obtain up to a 30-month extension of a U.S. patent merely by filing under the PCT, rather than directly in the USPTO, gaining an unfair advantage in contrast to strictly domestic applicants." Although it is clear that an applicant should not unjustifiably benefit from use of the PCT, there is no indication in the legislative history that an applicant should be punished (in terms of patent term adjustment) for using PCT.

The target or goal for this rule should be to make the time spent in the international stage, before completing the national entry requirements, neutral in patent term adjustment calculations. Neither a positive adjustment in favor of an applicant nor a negative adjustment against an applicant on the basis of the use of the PCT constituting a failure to engage in reasonable efforts. One possible solution for this problem is for the USPTO to define, by regulation and solely for the purposes of patent term adjustment under 35 USC 154 (b)(1)(B), the actual filing date of the application for an international application that designates the United States as the date that all requirements are satisfied for entry into the national stage in the United States. The Office may find more creative solutions, but the important goal should be to reach a result consistent with the letter and intent of the legislation which the rule as currently written does not accomplish. A similar solution should be crafted for section 1.704 (c)(8) regarding delays in requesting national stage processing of international applications.

Under proposed section 1.704(c)(9), an applicant would be subject to reductions in term adjustments to the extent that all the formality requirements of Rules 1.52, 1.72, 1.84, and 1.821-1.825 are not satisfied at the time of filing. This will unfairly penalize applicants. These formalities usually do not delay examination. The reduction in term adjustments should only be for the period of time between a request to comply with such formalities and the date compliance occurs. In addition to raising the initial costs of prosecuting an application before a patentability determination is made, an applicant may not obtain term adjustments because the requirements of many of these rules are subject to subjective interpretation. An applicant should not be unjustifiably penalized because of a good faith effort to comply with these regulations, and should not be subject to any adverse consequences because of different standards or interpretations applied by different USPTO officials. For example, if the title of the invention or the length of the abstract is not objected to during pre-examination and only later by the examiner in a first Office Action on the merits that is mailed 14 months after filing and such shortcoming is corrected by the applicant in a reply that is filed within three months, the applicant should not be considered to have failed to have engaged in reasonable efforts. Similarly, if the drawings pass initial inspection, or the application has been examined with a set of drawings, any subsequent change to those drawings should not give rise to a determination that applicant did not engage in reasonable efforts from the date of filing of the application to the date the correction or amendment is submitted.

The USPTO has proposed in section 1.704(c)(10) to reduce any term adjustments in those situations when a preliminary amendment or other preliminary paper is filed, less than one month before the date of mailing of an Office Action, that requires the mailing of a supplemental USPTO action. However, there does not appear to be any requirement that the USPTO respond to the preliminary amendment in any particular period of time. Therefore, applicants could be penalized for undue USPTO delays. Any time

in excess of one month from the filing of the preliminary amendment which the USPTO takes to issue a supplemental action should not be considered to be a failure to exercise reasonable efforts.

Under proposed section 1.704(c)(12), the USPTO proposes to reduce any term adjustments by the period between the date an initial reply was filed and the date a supplemental reply or paper was filed. This proposal is too broad when it goes beyond a supplemental reply to the previous Office Action. When an IDS is filed, for example, within three months of receiving a search report in a counterpart foreign application, the patent applicant should not be penalized by a reduction in patent term adjustments. Accordingly, it is suggested that this proposal be limited to situations where an applicant is supplementing a reply to a previous Office action.

Proposed section 1.704(c)(13) states that unless an applicant files the appeal brief with the notice of appeal, applicant will suffer a reduction in any patent term adjustment equivalent to the time to file an appeal brief. This is manifestly unfair. An applicant should be given at least two months to file the appeal brief without suffering any reduction in term adjustments. The PTO would then have two months to mail an Examiner's Answer before any period of adjustment under section 1.703(a)(4) would commence.

Proposed section 1.704(c)(14): See comment above with regard to section 1.705(c)(10).

The statute and proposed section 1.705(c) permit an applicant to show that, in spite of all due care, the applicant was unable to reply to the Office action within three months. The USPTO should issue guidelines on how this provision will be interpreted to provide information to the public and as guidance to its own staff who will be called upon to decide requests to restore reductions made on the basis of requests for extensions of time. For example, how will the USPTO treat requests based on the unavailability of personnel essential to file a reply, difficulty in obtaining materials to do comparative tests, difficulties in completing relevant tests, or delays in receiving the Office action. Relevant decisions should also be made available to the public as a guide to whether reconsideration of a USPTO decision should be requested.

Finally, under proposed section 1.705(d), an applicant can request reconsideration of the patent term adjustment within thirty days of the date the patent issued where the issue date is different than the projected issue date. This will be necessary for those cases where the Office issues the patent on a date later than projected and does not provide for an appropriate term adjustment. When this occurs, however, the thirty-day time period is clearly too short even if the mail moves at normal speed. A three-month period would be more realistic. Also, over the years, there have been times when the actual printing of patents lagged behind the granting of patents, and the patent owner did not receive the patent document until several months after the patent grant. This possibility can be addressed either by providing for a three month period from the date that the patent issued or from the date that the proceedings were terminated, whichever is later.

We appreciate the opportunity to provide comments on the specific topics under consideration by the USPTO. We look forward to working with the USPTO to implement the American Inventors

Protection Act in ways that will best serve the patent system while not unnecessarily burdening applicants or their representatives.

Sincerely,

Michael K. Kirk
Executive Director