

REPORT

NEW PRIORITIZED EXAMINATION PROCEDURE FOR U.S. PATENT APPLICATIONS ("TRACK I")

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On April 4, the USPTO revised its rules to provide patent applicants with the option to request prioritized ("Track I") examination at the time of filing of an application, in return for payment of a large fee. On granting of Track I prioritized examination, the application will be placed in queue for prioritized examination. This option will be available for applications filed on or after May 4, 2011.¹

The USPTO does not guarantee any time frames for prioritized examination. However, the aggregate goal for handling patent applications under Track I prioritized examination would be to provide a final disposition within an average of twelve months after prioritized status is granted. Final disposition means: (1) mailing of a Notice of Allowance, (2) mailing of a final Office Action, (3) filing of a Notice of Appeal, (4) declaration of an interference by the Board of Patent Appeals and Interferences ("BPAI"), (5) filing of a Request for Continued Examination (RCE), or (6) abandonment of the application. An application in Track I would not be accorded special status in appeals or interferences before the BPAI.

¹ The USPTO is limiting requests for prioritized examination to a maximum of 10,000 applications during the remainder of fiscal year 2011 (i.e., until September 30, 2011). The USPTO will revisit this annual cap at the end of the fiscal year to evaluate what the appropriate maximum should be, if any.

The requirements for obtaining Track I prioritized examination, and the required and recommended procedures during prosecution, as well as other avenues for accelerated examination and our recommendations are discussed in detail below.

I. Requirements for Obtaining Track I Examination

A request for prioritized examination must be filed with a complete application accompanied by a prioritized examination fee, a processing fee, and the publication fee.

For prioritized examination under Track I:

- (1) the application must be a utility or plant nonprovisional application, which must be complete upon filing;
- (2) the application must be filed via the USPTO's electronic filing system (EFS-Web) if it is a utility application;
- (3) the applicant must pay the required fees for requesting prioritized examination (including the prioritized examination fee of \$4,000, the publication fee of \$300, and the processing fee of \$130); and
- (4) the application must contain or be amended to contain no more than four independent claims and thirty total claims, and no multiple dependent claims. Each of these requirements is discussed in detail below.

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A. Utility or Plant Nonprovisional Application

The application must be a utility or plant nonprovisional patent application filed under 35 U.S.C. 111(a) on or after May 4, 2011. Prioritized examination does not apply to international applications, PCT national phase applications, design patent applications, reissue applications, provisional applications, or reexamination proceedings. Applicants may request prioritized examination for a continuing application (e.g., a continuation, divisional or continuation-in-part application). However, a continuing application will not automatically be given prioritized examination based on a request filed in the parent application. Each continuing application must on its own meet all requirements for prioritized examination.

The application must be complete. Thus, the application must be filed with an inventor's oath or declaration, any necessary translation, the basic filing fee, the search fee, the examination fee, any excess claims fees, and any application size fee.

B. Electronic Filing

Utility patent applications in which prioritized examination is sought must be filed via the USPTO electronic filing system (EFS-Web). Because plant patent applications may not be filed via EFS-Web, the USPTO will accept a paper request for prioritized examination in a plant patent application.

C. Fees

The fees due on filing for an application for which prioritized examination is sought are the filing fees (including any applicable excess claims and application size fees), the prioritized examination fee, the processing fee, and the publication fee. Therefore, the fee amount due on filing for a utility application for which prioritized

examination is being sought (not including any applicable excess claims and application size fees) is \$5,520 (\$4,892 for a small entity) including: (1) the \$1,090 (\$462 small entity) in filing fees which include the \$330 (\$82 small entity filing by EFS-Web) basic filing fee, the \$540 (\$270 small entity) search fee, and the \$220 (\$110 small entity) examination fee; (2) the \$4,000 prioritized examination fee; (3) the \$130 processing fee; and (4) the \$300 publication fee.²

The fees are not refundable. Thus, if the USPTO does not meet its goal of a final disposition within 12 months, or Track I examination is terminated (e.g., by applicant filing an extension of time request), applicant will not receive a refund of the fees paid.

² Under the USPTO's current statutory authority, the USPTO is not permitted to reduce the prioritized examination fee for small entity applicants. However, if legislation is passed providing a fifty percent fee reduction for prioritized examination for small entities and providing that the prioritized examination fees be set to recover the estimated cost of the prioritized examination program, the USPTO would increase the prioritized examination fee to \$4,800 for non-small entities, and charge \$2,400 for small entities. Thus, if pending legislation that provides a fifty percent fee reduction for prioritized examination for small entities is enacted into law, the fee amount due on filing a utility application for which prioritized examination is being sought (not including any applicable excess claims and application size fees) is \$6,320 (\$3,292 for a small entity): (1) the \$1,090 (\$462 small entity) in filing fees which include the \$330 (\$82 small entity filing by EFS-Web) filing fee, the \$540 (\$270 small entity) search fee, and the \$220 (\$110 small entity) examination fee; (2) the \$4,800 (\$2,400 small entity) prioritized examination fee; (3) the \$130 processing fee; and (4) the \$300 publication fee.

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The publication fee is due upon filing of a request for prioritized examination, regardless of whether the applicant requests early publication or non-publication of the application. If a patent issues before publication occurs, the applicant can request a refund of the publication fee.

D. Claims

The application must contain, or be amended at the time of filing to contain, no more than four independent claims and no more than thirty total claims. The application must not contain any multiple dependent claims. While it is possible to file a preliminary amendment on filing of an application to reduce the number of claims to no more than four independent claims and thirty total claims, and to eliminate any multiple dependent claims, the USPTO strongly encourages applicants to file applications without any preliminary amendments.

Filing of an amendment that violates the claim number limits will result in the application losing its prioritized status, but the application will still remain pending. Furthermore, upon mailing of a Final Rejection (at which point prioritized examination is terminated), applicants may amend the claims to place them in independent form where dependent claims were found allowable (even if doing so will result in more than four independent claims), or add new claims, subject only to the limitations applicable to any application under Final Rejection. Similarly, upon mailing of a Notice of Allowance, applicants may submit amendments to the claims, again subject only to the limitations applicable to any amendment in an application that has been allowed.

II. Patent Prosecution Procedures

Patent prosecution procedures are the same as those currently in place, except that certain actions can cause an application to lose prioritized status.

A. Suspension

The USPTO may suspend examination of an application in spite of the fact that it is undergoing prioritized examination. For example, the USPTO may suspend examination of an application if the application is otherwise allowable but an unpublished reference is not yet available as prior art because it has not yet been published. However, a request for suspension by an applicant will terminate prioritized examination.

B. Extensions of Time

The time periods set in USPTO actions for applications in Track I would be the usual time periods (e.g., one month for a Restriction or Election of Species Requirement, three months for a Non-Final or Final Rejection). If an applicant files a petition for an extension of time for filing a reply, prioritized examination will be terminated. For example, if the shortened statutory period for response to an Office Action is three months from the mailing date of that Office Action, the applicant must file a response to the Office Action within three months in order to maintain prioritized status. If an extension of time is taken, the application will remain pending but will lose its prioritized status. Because a request for prioritized examination can only be made at the time an application is filed, it is not possible to again obtain prioritized examination of the same application.

C. Other Grounds for Termination

Prioritized examination will also be terminated if a Request for Continued Examination (RCE) or a Notice of Appeal is filed.

III. Other Avenues of Accelerated Examination

With the new Track I prioritized examination, applicants will have an additional way to expedite

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examination of U.S. patent applications. Other avenues to expedite examination include: (1) Patent Prosecution Highway ("PPH") Program;³ (2) Accelerated Examination Program;⁴ (3) Petition to Make Special based on the applicant's health or age; (4) Green Technology Pilot Program;⁵ and (5) Patent Application Backlog Reduction Stimulus Plan.⁶ Each of these avenues for achieving accelerated examination, and how they compare to Track I prioritized examination, is summarized below.

A. Patent Prosecution Highway (PPH)

The PPH speeds up the examination process for applications corresponding to PCT international applications or applications filed in participating countries by allowing examiners to reuse search and examination results. Under the PPH program, an applicant receiving a ruling from WIPO or the Office of First Filing (OFF) that at least one claim is patentable may request that the USPTO fast track the examination of corresponding claims.

Unlike the Track I program, there is no fee for entering the PPH program. However, applicant will need to submit the latest Office Action from WIPO or the OFF and is limited to claims of the same scope as, or more narrow scope than, those found allowable in the PCT or OFF application. On the other hand, there is a very high allowance rate in PPH applications.

³ See our May 24, 2010; February 2, 2010; October 3, 2008; September 12, 2007; and June 16, 2006 Special Reports.

⁴ See our September 22, 2006 Special Report.

⁵ See our November 12, 2010; May 24, 2010; and December 15, 2009 Special Reports.

⁶ See our June 25, 2010 and December 7, 2009 Special Reports.

B. Accelerated Examination Program

Another way in which accelerated examination may be achieved is by way of a Petition to Make Special under the Accelerated Examination Program. However, under the Accelerated Examination Program, applicants will be required to conduct a pre-examination search and provide an accelerated examination support document. Entry into this program also requires a \$130 fee.

Similar to Track I, it is the goal of the USPTO to reach a final patentability decision within 12 months under the Accelerated Examination Program. In an effort to meet this goal under this program, the shortened statutory period for reply to Office Actions under the Accelerated Examination Program will be only 30 days, and no extensions of time under §1.136(a) are permitted. Extensions of time will only be permitted under §1.136(b) (i.e., for sufficient cause and for a reasonable time specified), and must be filed on or before the day on which the reply is due. Failure to timely file a reply results in abandonment of the application.

Furthermore, numerous admissions must be made in the accelerated examination support document, and estoppels could result from those admissions. According to the USPTO, as of January 5, 2011, only 61.5% of petitions for accelerated examination have been granted. Thus, there is a possibility that numerous admissions may be made on the record without an application achieving accelerated examination under this program.

Track I prioritized examination would require a much higher government fee. However, the fee for Track I would likely not exceed the costs of conducting a pre-examination search and preparing the accelerated examination support document, which as discussed above, could result in admissions leading to estoppels on the record. Furthermore, under Track I, the amount of time

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allotted for a response to an Office Action is the same as is currently permitted, without an extension of time. If an extension of time is necessitated, the application will merely lose prioritized status. However, under the Accelerated Examination Program, only 30 days to respond is permitted and if applicant cannot reply within 30 days or show sufficient cause for an extension, the application will be abandoned.

For these reasons, we believe Track I is generally a better option than the Accelerated Examination Program for achieving accelerated examination of an application.

C. Petition To Make Special Based On Applicant's Health Or Age

An application may be made special upon a Petition accompanied by evidence showing that the state of health of at least one inventor is such that he or she might not be able to assist in the prosecution of the application if it were to run its normal course, or that at least one inventor is at least 65 years old. No government fee is required for a Petition to Make Special based on an inventor's age or health.

This option for accelerated examination is the most favorable for qualified applicants. No fee is required and a Petition to Make Special Based on Applicant's Health or Age can be filed at any time. Furthermore, an application granted special status because of an inventor's health or age would not lose its special status, for example, if a final Office Action issues, the applicant takes an extension of time, or an RCE is filed.

D. Green Technology Pilot Program

The Green Technology Pilot Program permits applicants to request accelerated examination for applications pertaining to a wide range of "green" technologies, such as technologies relating to environmental quality, energy conservation,

development of renewable energy resources, and greenhouse gas emission reductions. This program will terminate when the first 3,000 grantable petitions are filed. According to the USPTO, as of March 7, 2011, 1,390 petitions have been granted and 274 petitions are awaiting decision. Thus, the Green Technology Pilot Program is still available.

This option for accelerated examination may be preferable to Track I prioritized examination if the application for which accelerated examination is sought pertains to "green technology" because no fee is required to enter the Green Technology Pilot Program and a request for entry into this program does not need to be filed with the application. Furthermore, under the Green Technology Pilot Program, petitions for extension of time and RCEs are permitted without abandonment or loss of special status.

E. Patent Application Backlog Reduction Stimulus Plan

The USPTO's Patent Application Backlog Reduction Stimulus Plan ("Plan") allows applicants to have an application accorded special status for examination if the applicant expressly abandons another unexamined copending application without requesting a refund of fees. The Plan is a temporary program that is effective until 10,000 applications have been accorded special status under the Plan. According to the USPTO, as of March 7, 2011, only 149 petitions have been granted under this Plan. Thus, this Plan is still available.

Although Track I requires a substantial fee, no petitions for extension of time are permitted, and prioritized examination status will end upon the filing of an RCE or the issuance of a final Office Action, which is not the case under the Plan. Thus, the Plan is preferable if an applicant is willing to abandon another unexamined application without the usual \$500-plus refund. However, Track I may be preferable to the Patent Application Backlog

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Reduction Stimulus Plan if the applicant is not otherwise planning to abandon another unexamined application.

IV. Recommendations

The USPTO offers a number of different avenues for expediting examination of U.S. patent applications. If expediting examination of an application is desired, a decision as to which avenue to pursue must be made. Careful consideration as to the fees and special requirements should be made. The following is a general guideline for pursuing the various avenues for accelerated examination. The specific scenario of each application and applicant should be considered, and the below guidelines are not necessarily the best procedure for all applications.

As discussed above, if an inventor is in poor health or at least 65 years old, a Petition to Make Special Based on Applicant's Health or Age would likely be the best option because no fee is due, the Petition may be filed at any time the application is pending, extensions and RCEs are available, and there are no additional requirements (e.g., limited number of claims, examination support document, etc.).

If the application for which accelerated examination is sought pertains to "green technology," then the Green Technology Pilot Program would also be a good option because no fee is required to enter the Program, the Petition to enter the Program may be filed until one day before the first Office Action issues, extensions of time to respond to Office Actions are permitted, and an examination support document is not required.

Although a large fee is required, if the application does not name at least one inventor that is in poor health or at least 65 years old, and is not directed to "green technology," we recommend pursuing Track I prioritized examination to expedite

examination of important and time sensitive applications. Because of the high fees involved and limited prioritized status (e.g., until the mailing of a Notice of Allowance or a final Office Action, which is usually the second Office Action), the specification and claims should be thoroughly reviewed prior to filing to ensure that the novel features are clearly identified in a full set of claims of varying scope, and that the claims are in proper U.S. format.

If the claims are not in proper U.S. format, or if the scope of the claimed invention is not sufficiently clear to the Examiner from the outset, a proper search by the Examiner is not always conducted. Furthermore, absent full comprehension of all points of novelty, an Examiner may apply inappropriate prior art in rejecting the claims. It may not be until after the claims are clarified that the Examiner conducts a more appropriate search, and then, if warranted, rejects the claims in a final Office Action. As discussed above, a final Office Action will remove the application from prioritized examination. Thus, to obtain the most value from Track I prioritized examination, it is imperative to ensure that the claims are in the best form possible when the application is filed.

In view of the new Track I prioritized examination, we do not recommend pursuing a Petition to Make Special under the Accelerated Examination Program because of the costs and potential estoppels associated with conducting a pre-examination search and providing an accelerated examination support document, as well as the potential for abandonment if a reply to an Office Action is not filed within 30 days of the issuance of the Office Action.

We recommend employing the Patent Application Backlog Reduction Stimulus Plan only if applicant is otherwise willing to expressly abandon another unexamined copending application without requesting a refund of fees.

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