

From: nomoto  
Sent: Thursday, August 19, 2010 10:43 PM  
To: 3-tracks comments  
Subject: Re:JIPA Comments on the Proposed Enhanced Examination Timing Control Initiative

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Importance: High

Dear Sirs,

Please find the attached JIPA Comments on "The Proposed Enhanced Examination Timing Control Initiative".  
If you have any question, please feel free to contact me.

Best regards,

Sumio NOMOTO (JIPA) /for

Fumihiko MORIYA  
President  
Japan Intellectual Property Association

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"JIPA, Creating IP Vision for the World"

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# JAPAN INTELLECTUAL PROPERTY ASSOCIATION

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August 20, 2010

Hon. David J. Kappos  
Under Secretary of Commerce for Intellectual Property and  
Director of the United States Patent and Trademark Office  
United States Patent and Trademark Office  
Alexandria, Virginia

Re: JIPA Comments on the Proposed Enhanced Examination Timing Control Initiative in the United States

Dear Under Secretary Kappos:

1. The Japan Intellectual Property Association (hereinafter referred to as "JIPA") is one of the world's largest users associations for intellectual property, which has a membership of more than 900 Japanese corporations (as of June 1, 2010). As JIPA's member corporations file a large number of U.S. patent applications, JIPA hereby comments on the introduction of a "Three-Track" system proposed on June 4, 2010 by the USPTO, wherein an applicant can choose, upon filing an application, the examination timing from among the three tracks of "prioritized," "traditional," and "delayed" examination.

2. JIPA understands that the current proposal made by the USPTO consists of three points. Point 1: For a patent application filed in the USPTO that is not based on a prior foreign-filed application (hereinafter referred to as a "USPTO first-filed application"), three tracks will be established for the examination timing.

Track I: Prioritized examination

Track II: Traditional examination under the current procedures

Track III: For non-continuing applications, an applicant-controlled delay for up to 30 months prior to docketing for examination

Point 2: For a patent application filed in the USPTO that is based on a prior foreign-filed application (hereinafter referred to as a "non-USPTO first-filed application"), examination starts after the USPTO receives a copy of the search report, if any, and a copy of the first office action from the foreign office where the application was originally filed, and an appropriate reply to the foreign office action.

Point 3: Introduction of a supplemental search system

3. JIPA comments on Points 1 to 3 as follows.

#### Regarding Point 1

There are needs among corporations to have greater control over the timing to obtain patents for their inventions according to which phase of the product life cycle the filed

invention belongs to, or the length of the product life cycle. Therefore, JIPA welcomes the current proposal by the USPTO to establish three tracks for the examination timing.

However, JIPA requests the following points for Track I with regard to the details of the examination procedures.

In considering integration with the existing accelerated examination program, JIPA requests that the proven operation of the Patent Prosecution Highway (PPH) program between Japan and the United States be emphasized and that the reply period for applicants not be the non-extendable one-month period which is the present period permitted under the Make Special procedures, but should be unified into the extendable three-month period in operation under the PPH program.

JIPA strongly requests USPTO not to cause any delay of Track-II (traditional) examination procedure by implementation of Track-I (prioritized) examination procedure.

Moreover, with regard to Track III, JIPA requests the following points:

(1) Introduction of a system for a third party to request examination

As there may be cases where it is unfavorable to leave an application unexamined for a long time without a clear decision on whether a patent will be granted, JIPA believes it preferable to also allow a third party to request examination for cases under Track III. At the same time, JIPA finds it necessary to establish means to enable a third party to check whether another person's application in which the relevant third party is interested is subject to Track III, through published specifications or Public Patent Application Information Retrieval (PAIR).

(2) Expansion of application of Track III to non-USPTO first-filed applications

Regardless of the requirement imposed on non-USPTO first-filed applications to submit the examination results of the office of first filing (hereinafter referred to as "OFF") as mentioned in Point 2 above, Track III should also be applied to non-USPTO first-filed applications on the same condition as USPTO first-filed applications. Since non-USPTO first-filed applications are no different from USPTO first-filed applications in terms of the likelihood to be withdrawn while in the pre-examination queue, there seems to be no necessity to distinguish between the two.

(3) Expansion of application of Track III to continuing applications

According to the proposal, continuing applications are not subject to Track III. However, on the part of users, there may be situations where they do not desire prioritized examination as in the case of non-continuing applications. On the part of the USPTO as well, continuing applications and non-continuing applications are no different in terms of the likelihood to be withdrawn while in the pre-examination queue. Accordingly, there seems to be no necessity to distinguish between the two.

Regarding Point 2

JIPA strongly opposes the current proposal. The reasons are as follows:

(1) Irrationality of the uniform requirement for non-USPTO first-filed applications to submit examination results of the OFF

Despite the fact that all US patent applicants pay the USPTO the same patent application filing fees regardless of whether the relevant application is a USPTO first-filed application or a non-USPTO first filed application, further imposing an additional requirement only on the applicants of non-USPTO first filed applications is unfair. Moreover, while examination of a USPTO first-filed application begins upon the payment of fees, which is an action by the applicant him/herself, the applicant of a non-USPTO first-filed application may suffer a disadvantage in that the examination of his/her application may not begin in the United States due to delay based on the status of the examination progress by the OFF, which is a reason beyond the control of the applicant him/herself. JIPA finds such aspect of the proposed system problematic.

Especially, the proposed system contains an issue dependent on the patent system and examination capacity of the OFF, and is definitely unfair not only for Japan which has a system of request for examination, but also for cases where the OFF is the patent office of a developing country with a limited examination capacity.

In the first place, there is no need for applicants to receive examination for their global applications in the second country after the completion of examination in the first country. Under the current situation where various countries besides the United States adopt the first-to-file system and many countries adopt a system to have applicants file their first application for their invention in the home country, it is natural to file the application in their national or regional office prior to the USPTO, and such act does not necessarily imply that the applicant desires the application be first examined by the OFF and then by the office of second filing (hereinafter referred to as "OSF"). US users conducting research and development activities outside the United States may also suffer the same disadvantages.

(2) Concerns for the setback of international harmonization due to the excessive application of the concept of prioritization of first-filed applications (the concept of the "Strategic Handling of Applications for Rapid Examination (SHARE)")

JIPA recognizes that the proposed treatment of non-USPTO first-filed applications is based on the "SHARE" concept, where each office prioritizes examination of applications for which it is the OFF, and the OSF uses the search and examination results of the OFF. JIPA understands the necessity of work-sharing where the examination results of the patent office in a country are exploited in the examination by the patent office of another country. However, for the realization of such work-sharing, the current proposal is imposing, only on the applicants of non-USPTO first-filed applications, a special requirement which differs from that for the applicants of USPTO first-filed applications, and it must be said that such requirement is excessive. For example, under the JP-Fast Information Release Strategy (JP-FIRST) implemented as a means to realize the SHARE concept by the JPO, examination for non-JPO first-filed applications is commenced equally to that for other applications without any additional requirements arising from the examination conducted by the OFF, and thus JIPA finds that the current proposal is obviously lacking balance with regard to the measures between the JPO and the USPTO.

Moreover, JIPA is greatly concerned that, although it is a matter of course that a US application based on an application under the Patent Cooperation Treaty (PCT) (hereinafter referred to as a "PCT application") filed in a patent office other than the USPTO, as the receiving office thereof, should be treated equally with the USPTO first-filed applications, if an excessive prioritization of first-filed applications as in the current proposal is admitted, a misinterpretation may arise that such PCT application shall not be treated equally with USPTO first-filed applications. Especially, JIPA finds that the introduction of a system where only the USPTO excessively focuses on the examination results of the patent office of another country is likely to reduce the significance of PCT international searches, and is seriously problematic from the viewpoint of the promotion of international harmonization. If, by any chance, other countries' patent offices consider introducing the same kind of system in order to reduce their examination backlog, it would obviously be disadvantageous not only for the USPTO but also for US applicants in the end.

Furthermore, JIPA is concerned that imposing excessive requirements on applicants at a stage where the harmonization of patent systems is insufficient may cause a rapid increase of USPTO first-filed applications from applicants outside the United States and lead to distortions in the filing pattern of the users. JIPA is deeply concerned that this fact makes it harder to achieve the promotion of work sharing among each country toward the harmonization of patent systems and causes a further increase in the examination burden of the USPTO.

(3) In addition, with regard to this point, there are a number of unclear points in relation to the existing system, and JIPA requests that the institutional design be reconsidered:

1) Application of Patent Term Adjustment (PTA) to non-USPTO first-filed applications

In the current proposal, the USPTO is considering a rule to offset positive PTA accrued in the application when an applicant files the required documents for the first application after the aggregate average period to issue a first office action on the merits. However, as the timing for issuance of the examination documents, such as the search reports, for the first application is not decided by the applicant, the proposed PTA reduction for non-USPTO first-filed applications is far too strict compared with the liability to actually be borne by the applicant. At the same time, as the calculation of the PTA period seems to become extremely complicated and is currently unclear, JIPA requests reconsideration of this matter as well.

2) Treatment in cases where a US application is a national phase patent application from the PCT

It is a matter of course that with regard to PCT applications, there arises a situation where examination of a PCT application that has entered the national phase in another country begins before the examination of the underlying first application. If, by any chance, the USPTO makes the examination results for the first application a requirement for commencing the examination for a non-USPTO first-filed application a strict requirement, such requirement would become clearly inconsistent with the existing PPH program based

on the PCT. Therefore, with regard to PCT applications, the international search results made by patent offices other than the USPTO should be deemed to be the examination results of the OFF, regardless of the existence or absence of a prior foreign-filed application.

3) Treatment in cases where the prior foreign-filed application is an application to be registered without examination

Among the patent systems around the world, there are systems where applications are registered without substantive examination such as the system for utility model in Japan, Germany, and China. While it is provided in the Paris Convention that applications for utility models be treated as applications that serve as the basis for claiming priority, it is doubtful whether requiring the submission of examination results by the OFF for the commencement of examination in the United States is appropriate or necessary under the circumstance where such examination results do not contribute to the substantial examination in the second-filed country, the United States. In general, there is an understanding that if the first-filed country adopts a non-substantive examination system, the applicant shall be exempt from the requirement to submit examination results. Under this situation, JIPA is greatly concerned that if this system which forces the submission of the examination results by the OFF is implemented, it would increase non-USPTO first-filed applications based on applications without substantive examination and lead to distortion in the filing pattern of the users, and not to the reduction of the USPTO's examination burden.

#### Regarding Point 3

JIPA agrees to the introduction of the supplemental search system if search by each patent office around the world in cooperation leads to enhancement of the reliability (effectiveness) of patents. However, at the same time, JIPA requests that this does not impose excessive costs or other burdens on applicants.

4. JIPA deeply hopes that the introduction of the system for variable examination timing will be profitable to both the US users and the USPTO.

Sincerely, yours,



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President

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