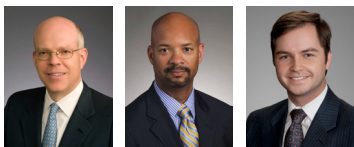


Intellectual Property

Patent Law

Accelerated Examination

Expansion of Priority Examination Program for Patent Applications Now Available



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The U.S. Patent and Trademark Office (“Patent Office”) recently announced expansion of its extremely successful Prioritized Examination Track (“Track I”) of the Enhanced Examination Timing Control Procedures to patent applicants that file a Request for Continued Examination (“RCE”).¹ Even in its original form, the Track I “express lane” has brought unprecedented speed to patent examinations.² By widening the express lane to allow access to RCE applications, the Patent Office has removed much of the uncertainty and risk associated with the previous

implementation of the Track I program. Prior to this expansion, if a patent application was filed in the express lane originally, it risked being forced to exit into the usual Patent Office traffic jam if allowance was not achieved within the first year. Now, these applicants can pay another “toll”, reenter the express lane, and achieve true patent acceleration once again. The new rule should be heralded as good news for all businesses and should enhance commercialization of technology. The Patent Office added this additional access to the express lane about two months after implementing the initial Track I program,³ which occurred shortly after passage of the Leahy-Smith America Invents Act (“AIA”) in September of 2011.⁴

Initial Proposed Three-Track Initiative

Under normal examination, applications are handled on a first-come, first-served basis.⁵ The resulting traffic jam is the main reason why a patent takes so long to move from filing to issuance. Previously, patent applications could only be advanced out of turn in certain specific cases. So called “Patent Acceleration” was available only to elderly or infirm inventors, or for technologies related to the environment, energy conservation, or counterterrorism.⁶

Track I was originally proposed by the Patent Office in July 2010 as a part of a “Three-Track” initiative.⁷ The premise of the plan was to allow applicants to choose among different paces for patent prosecution, much like many highways that have an express lane toll-road which allows drivers to bypass slower moving traffic or even a traffic jam. Track I, the express lane, is a prioritized examination with a final disposition (hopefully allowance) within one year for anyone willing to pay the hefty “toll”. Track II is the traditional “slow lane” examination, where the patent slowly advances through the perpetual patent traffic jam. Track III allows

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the applicant to “pull over” and delay the application from being examined by the Patent Office for up to 30 months. This delayed processing could be useful for an applicant wishing to obtain a filing date for an application but is either unsure of whether the patent will actually be pursued or is unwilling or unable to pay all the fees associated with processing a patent at that time.⁸ The Patent Office reasoned that just like on a major highway, allowing applicants to choose their route – to pay the toll and take the express lanes, sit in traffic, or just stay at home – would reduce traffic for all applications on the road to a patent.⁹

Funding Cuts Delay Implementation

After feedback from the patent community, in February 2011, the Patent Office decided to move forward with Track I. Unfortunately, the Full-Year Continuing Appropriations Act of 2011 significantly reduced the Patent Office’s spending authority, and the Patent Office implemented a hiring freeze.¹⁰ As a result, the Patent Office Director decided that there was an insufficient number of examiners to effectively implement the goals of the Track I program.¹¹ In April, the Patent Office delayed the implementation of the Track I expressway indefinitely.

Fortunately, the AIA included an amendment to 35 U.S.C. § 42 (c) explicitly providing that government patent fees charged by the Patent Office are available to the Director to carry out the activities of the Patent Office.¹² Accordingly, in September 2011, immediately after the passage of the AIA, and much fanfare, the Track I expressway was finally opened to the public.

Patent Applications on the Track I Expressway

The goal of Track I is to bring an application from filing to a final disposition within one-year after getting onto the expressway and paying its substantial toll—up to \$4,800 for a large company or \$2,400 for a small one.¹³ This stretch of road passes through most landmarks of the patent application process. Here, Patent Office personnel, namely patent examiners, carry out a formal search for prior art. The Patent Office issues official actions if a patent examiner objects to patent issuance for various reasons, such as prior art being located, and the patent applicant files responses and amendments in response to such objections. Eventually, this examination process brings the application to one of several results.

The desired destination is, of course, a notice of allowance, where the examiner is convinced that the invention qualifies to be a patent—i.e., is patentable subject matter and is not anticipated by and not obvious in view of the prior art. At this point, the applicant pays an issue fee, and the patent is granted a few months thereafter.

Many times, however, the examiner and applicant do not come to terms even after several back-and-forth communications. The examination hits a dead end, and the patent examiner issues a final office action, the applicant, on the other hand, can take a detour, appeal the examiner’s decision, and take the matter to

the Board of Patent Interferences and Appeals. At this point, the applicant is severely restricted with regard to which directions can be traveled and what actions can be taken as a matter of right. In order to continue its efforts to obtain a patent, the applicant can file an RCE, which more or less “resets” the examination process. Essentially, the application takes a detour and starts its journey again, getting back on the highway all the way back where it started. Under the originally implemented Track I program, any of these dead ends and detours – including the filing of an RCE – would force the application to permanently exit the express lane. It would effectively be bumped to the back of the traffic jam – the bottom of the examiner’s docket – and undergo regular, slow-lane examination. The continuing prosecution then could easily drag out for years.

With the latest rule change, an applicant may now get back on the Track I expressway, not only when initially filing a patent application but also when reentering the patent expressway at the time an RCE is filed. This means that applicants can now get truly expedited patent prosecution even after being forced to take a detour. When filing an RCE, the applicant can effectively “renew” expedited examination and reenter the expressway by paying another toll. Furthermore, priority status can be obtained regardless of whether the original application was in the Track I express lane. An applicant who has been stuck in the traffic jam for years can now hop into the express lane and get to the next final disposition within a year. The priority status can be renewed repeatedly by filing RCEs, as long as the applicant is willing to pay the “toll” each time.

Track I Eligibility

Much like express lanes on a highway only allow certain types of vehicles, patent applications must meet certain criteria to enter the Track I express lane. The eligibility rules are the same for both original and RCE applications¹⁴. The application must be in a utility or plant patent application that is not a provisional application. It can have no more than four independent claims, must have fewer than 30 total claims, and cannot include any multiple dependent claims. If the application is amended to be noncompliant with any of these criteria, the application will still be pending, but is forced to exit the expressway and go back into the slower moving traffic.

If the application qualifies to be on the expressway, the applicant just has to pay the toll¹⁵ each time the application enters the expressway and the application is on its way.

Benefits of Track I

Benefits of the expedited examination are innumerable. From an applicant’s perspective, although in limited situations royalty type damages can begin accruing against an infringer once an application is published, a patent applicant cannot file an infringement lawsuit or prevent the other entity from infringing until the patent has actually issued.¹⁶ An applicant stuck in the

patent examination traffic jam would clearly benefit from being able to jump onto the Track I express lane while filing an RCE if, for example, a competitor was infringing the claims of the patent technology. Furthermore, expedited patent examination can accelerate the value of the intellectual property itself by vastly shrinking the timeline for the examination process and giving the applicant an issued patent to add to its portfolio or license. Because there is no guarantee a patent will ever issue, a pending application can carry an amount of uncertainty. An issued patent is much more valuable than an application alone. Thus, having the Track I express lane option can accelerate not only patent examination, but also the value of the technology itself.

The Future of Track I

Even in its original form, Track I has already proven itself to be an extremely effective program for expediting patent examinations. In the initial four and a half months since it was implemented, 1,694 Track I petitions have been submitted with 98.9% approved for travel in the express lane.¹⁷ Over half of those approved have already received a first office action with an average turnaround of just 30.7 days. Furthermore, 23 patent applications have already arrived at their final destination and were allowed – one only 37 days after being filed.¹⁸

With the new expansion to RCEs, even more applications have access to the unprecedented patent examination times that are already enjoyed by original filings. The new inclusion of applications undergoing continuing examination lets applicants count on truly accelerated patent examination. Now, not only can Track I applications reenter the express lane after an RCE is filed, regular applications can get out of slower moving traffic or even a traffic jam for additional trips through patent examination. Although the “tolls” are high, Track I adds both predictability and value to a patent application, and can provide an applicant with invaluable competitive advantages.

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¹ Press Release, United States Patent and Trademark Office, [USPTO Updates Rules for "Track I" Fast-Track Patent Processing](#) (Dec. 19, 2011).

² Peggy Focarino, [USPTO Track I: The Agency's Self-Report on Implementation Performance through Year-End 2011](#), Director's Forum: David Kappos' Public Blog (Jan. 03, 2012, 11:54 AM).

³ Press Release, United States Patent and Trademark Office, [USPTO Updates Effective Date of "Track One" Fast-Track Patent Processing](#) (Sept. 23, 2011).

⁴ Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (codified as amended in scattered sections of Title 35).

⁵ [MPEP § 708](#) (8th ed. Rev. 8, July 2010).

⁶ [35 C.F.R. § 1.102](#).

⁷ Press Release, United States Patent and Trademark Office, [USPTO](#)

[Proposes to Establish Three Patent Processing Tracks](#) (June 3, 2010).

⁸ Although Track III filing has not yet been implemented, the Patent Office has extended its “Extended Missing Parts Pilot Program” through 2012. For a discussion of how this can be used to obtain similar results, see Ryan McBeth, Jeffrey Whittle, Jim Bradley & Michael Samardzija, [“Imitation Two-Year Provisional” Option Extended Through 2012](#), [Bracewell & Giuliani LLP](#) (Jan. 4, 2010).

⁹ Press Release, United States Patent and Trademark Office, *supra* note 4.

¹⁰ Press Release, United States Patent and Trademark Office, [USPTO Postpones Effective Date of "Track One" Fast-Track Patent Processing](#) (Apr. 27, 2011).

¹¹ *Id.*; See also David Kappos, [An Update on the USPTO's FY 2011 Budget](#), Director's Forum: David Kappos' Public Blog (Apr. 22 2011, 9:08 AM).

¹² Press Release, United States Patent and Trademark Office, [Statement of USPTO Director David Kappos Following Final Senate Passage of Leahy-Smith America Invents Act](#) (Sept. 8, 2011); See also [America Invents Act](#), *supra* note 4, § 22.

¹³ The fee for a normal applicant is \$4,800. The Patent Office offers a 50% discount for small companies and individuals. These “small entities” only have to pay a \$2,400 fee. See [37 C.F.R. § 1.27](#) for a definition of a small entity. Additionally, the Leahy-Smith America Invents Act provides for so-called “micro-entities” which will enjoy further fee reductions, and should only have to pay \$1,200 for Track I examinations. Micro-entity status will be available once the Patent Office updates its fee schedule to include the 75% discount for qualifying micro-entities. For a definition of a micro entity, see [35 U.S.C. § 123](#).

¹⁴ [Changes To Implement the Prioritized Examination for Requests for Continued Examination](#), 86 Fed. Reg. 78,566-7 (Dec. 19, 2011) (to be codified at [37 C.F.R. § 1.102](#)).

¹⁵ See discussion of fees, *supra* note 13.

¹⁶ See [35 U.S.C. § 154 \(d\)](#).

¹⁷ [Focarino](#), *supra* note 2.

¹⁸ *Id.*

