Budget 2003

- USPTO operating under a CR
- $1.132B approx. FY ’02 funding level
- No hiring of patent examiners
- No overtime
- Increase in pendency
Budget 2003 (cont.)

- President request  $1.365B
- Senate mark (Oct.) $1.145B
- Senate mark (Jan.) $1.200B
- House (Wolf) $1.256B
Revised Strategic Plan

- Deferred Examination
- Outsourcing Search
- Information Disclosure Statements (IDS)
- Proof of Concept
- Unity of Invention
- Fees
Electronic Filing and Processing

- November 2000 Initial Release
  - New Utilities – CFR Bio-Sequence listings

- December 2001
  - Provisionals
  - Appendix Data
  - Electronic Assignments

- May 2002
  - Electronic Disclosure Statements
Electronic Filing and Processing (cont.)

- June 2002 Partnership Contracts Awarded
  
  Aspen Grove, Inc. AutoDocs, LLC LegalStar, Inc.
  FTF Technologies (First to File) LexisNexis

- Establish framework for EFP partners to develop tools compliant with international e-filing standards (WIPO Annex F)

- January 27, 2003 - USPTO ready to accept EFP applications
Two years steady growth in e-filings

10% average monthly increases

1 to 2% of total applications electronically filed
Electronic Filing and Processing (cont.)

- Image file wrapper prototype began on 12/2/02 in three Art Units
- 1661 Applications Managed Through January 10, 2003
- Goal of Image File Wrapper project:
  - June 30, 2003 - make electronic file official file
  - No paper application files moving to Carlyle
  - Customers to be able to access own Image File wrappers on private PAIR

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Electronic Filing and Processing (cont.)


  Technical standard for electronic filing and processing of international applications

  Sets standards for a common communication protocol with a digital certificate accepted at all Annex F compliant offices

  Provides reuse of data which reduces work and error in data entry
Carlyle (cont.)

Building Turnover Schedule

Randolph Building Dec 2004
Remsen Building Dec 2003
Knox Building May 2005
Jefferson Building Dec 2003
West Parking Garage Dec 2004
East Parking Garage Dec 2003
Madison Building Oct/Nov 2004

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Carlyle (cont.)
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Esther M. Kepplinger
Deputy Commissioner for Patent Operations
Patent Operations

Workload
- FY 02 filings 2.3% above FY 01
- FY 03 filings approx 1% above FY 02

Staffing
- Hired 769 patent examiners in FY 02
- Currently under CR in FY 03
Patent Operations (cont.)

Pendency in FY 02
- 24.0 months overall
- 16.7 months to first Office action

Pendency expected in FY 03
- 27.7 months overall
- 18.4 months to first Office action
Patent Operations (cont.)

Quality

– Major quality indicator - 4.2% for FY 02

– FY 03 goal is 4.0%
Patent Operations (cont.)

Backlog of cases at the Board of Appeals

– 4,329 applications in FY 02
– Currently 3,101 applications
Search and Examination Guidelines

• USPTO agreed to take the lead in preparing a draft PCT search and examination guidelines, which will be implemented by January 1, 2004.

• Revised guidelines directed to revised PCT regulations to introduce an "enhanced international search and preliminary examination system."
Search and Examination Continued

• One main feature of the new enhanced system is the establishment and incorporation of a written opinion into the international search procedures under Chapter I.

• Draft of the guidelines being posted on the WIPO site for ISAs.
MIA

- MIA meeting scheduled for the week of February 10-14, 2003 in Geneva.
MIA (cont)

• A revised draft of the guidelines based on the discussions at the February MIA meeting will be prepared and distributed prior to the second MIA meeting scheduled for May of 2003. USPTO will host the second MIA meeting.

• A third MIA meeting is scheduled for July 2003 to continue work on the revised guidelines.
“A person shall be entitled to a patent unless —
* * * * *
(e) the invention was described in
(1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or
(2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent,
35 USC §102(e) AFTER H.R. 2215\(^1\) (Continued)

except that an international application filed under the treaty defined in section 351(a) shall have the effects for the purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language; or” (emphasis added)

\(^1\)Caveat: The relevant effective date provision of HR 2215 requires that the old (Pre-AIPA) §102(e) applies when the prior art reference is a patent issued (directly or indirectly) from an IA which was filed before 11/29/00.
“The publication under the treaty defined in section 351(a) of this title, of an international application designating the United States shall be deemed a publication under section 122(b), except as provided in sections 102(e) and 154(d) of this title.”
This provision allows certain WIPO publications of IAs to be used as prior art under 35 USC § 102(e) as of the IA’s filing date, if the previously set forth three conditions are met, namely:

1) the IA was filed on or after 11/29/00;

2) the IA designated the US; and

3) the IA publication (by WIPO) was in English.
H.R. 2215 Statutory Changes to Effective Date Provisions

EFFECTIVE DATE PROVISIONS (section 4508 of AIPA as revised by HR 2215).

* * * * *

Except as otherwise provided in this section, the amendments made by section 4505* shall be effective as of November 29, 2000 and shall apply to all patents and all applications for patents pending on or filed after November 29, 2000. (emphasis added)
This provides for uniform application of §102(e) to reject claims in any applications under examination, or any patents under reexamination or being contested, regardless of filing date.

* Section 4505 of the AIPA set forth the revision to § 102(e)
EFFECTIVE DATE PROVISIONS (section 4508 of AIPA as revised by HR 2215).

* * * * *

Patents resulting from an international application filed before November 29, 2000 and applications published pursuant to section 122(b) or Article 21(2) of the treaty defined in section 351(a) resulting from an international application filed before November 29, 2000 shall not be effective as prior art as of the filing date of the international application; however, such patents shall be effective as prior art in accordance with section 102(e) in effect on November 28, 2000. (emphasis added)

This provides that: 1) patents and application publication references may not rely on an IA filing date for § 102(e) purposes if that date is before 11/29/00, nor may such international application be used as a bridge to an earlier U.S. filing date for prior art purposes, and

2) 35 USC § 371 date is used for patents of IAs filed prior to 11/29/00.
Applying § 102(e) Prior Art Date for Publications & Patents Five Guidelines
(Positive 1, 2 & 3 and Negative 4 & 5)

1) If U.S. patent or U.S. application publication issued from application under 35 USC § 111(a), and patent or application does not claim benefit of IA, patent or application publication has § 102(e) prior art date as of earliest U.S. effective filing date.

2) If U.S. patent, U.S. application publication, or WIPO publication issued from, or claims benefit to, IA which has international filing date on or after 11/29/00, designated United States, and was published in English by WIPO (under PCT Article 21(2)), the § 102(e) date is international filing date, or any earlier effective U.S. filing date.
Applying § 102(e) Prior Art Date for Publications & Patents Five Guidelines (Positive 1, 2 & 3 and Negative 4 & 5) (Continued)

3). If U.S. patent issued from, or claims benefit to, IA which was filed on or after 11/29/00, but WIPO publication was not in English, U.S. patent: if issued from 35 USC § 371 application, has **no** § 102(e)(2) date, or if issued from U.S. continuing application claiming benefit of IA, has § 102(e)(2) date of the filing date of a later-filed continuing U.S. application
Applying 102(e) Prior Art Date for Publications & Patents Five Guidelines (continued)

4) Publication of IA (either WIPO publication or US publication of NS application) is not considered prior art under § 102(e)(1) as of the IA filing date if any of following conditions are true:

1) International filing date was prior to 11/29/00,
2) IA did not designate U.S., or
3) WIPO publication of IA was not in English.

Since IA filing date is not considered U.S. filing date for prior art purposes, any earlier U.S. filing dates for which benefit is claimed by IA are not prior art dates.
Applying 102(e) Prior Art Date for Publications & Patents
Five Guidelines (continued)

5) If U.S. patent issued from, or claims benefit to, IA filed prior to Nov. 29, 2000, date of such prior art patent is earlier of date of compliance with § 371(c)(1), (2) and (4) (e.g. National Stage entry) or filing date of later-filed U.S. application that claimed benefit of international application.
Revised Guidelines for Usage of Previously Cited/Considered Prior Art in Reexamination Proceedings

• Reexamination ordered/denied on or after November 2, 2002:
  – Act of 2002 overrules Portola Packaging decision and permits old art to be applied as sole basis for:
    • providing substantial new question of patentability (SNQ) in a determination ordering reexamination; or
    • a rejection of claims in an Office action in the reexamination
  – Determination on reexamination request (i.e., the order/denial) must be made, or have been made, on or after November 2, 2002. Date of filing request for reexamination is not relevant; it is date on which reexamination is/was ordered or denied that governs.
Revised Guidelines for Usage of Previously Cited/Considered Prior Art in Reexamination Proceedings (continued)

– Although "old art" can be used, a "new" substantial question of patentability must be raised by such old art (i.e., the question must be a new question), such as where at least one of following fact situations exist:

• **Different Claimed Subject Matter:** Current claimed subject matter is different than claimed subject matter that old art was applied against.

• **Different Statutory Basis:** Old art is being applied under different statutory basis (for rejection) than was employed in earlier concluded examination(s) of patent.
Revised Guidelines for Usage of Previously Cited/Considered Prior Art in Reexamination Proceedings (continued)

• **Statutory Basis Does Not Change, But Different Art Combination:** Old art still being applied in an "obviousness" rejection (35 U.S.C. 103 or obvious type double patenting), but in different combination of the art (for rejection) than was employed in earlier concluded examination(s) of patent.

• **Same Art, But Art Viewed in New Light:** Old art being presented/viewed in new light, or in different way, as compared with its use in earlier concluded examination(s), in view of a material new argument or interpretation presented in request.
Revised Guidelines for Usage of Previously Cited/Considered Prior Art in Reexamination Proceedings (continued)

- Multiple reexaminations for same patent, where at least one reexamination was ordered before November 2, 2002, and another was ordered on or after November 2, 2002:
  - At an appropriate point in proceedings, all of reexaminations will be merged. After merger, "old art" may be used in merged proceeding as sole basis for a rejection, where proper, pursuant to guidelines given above.

- Act of 2002 revised reexamination statute by adding, *inter alia*, the following new last sentence of 35 U.S.C. §§ 303(a) and 312(a):
  - “The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office."
Revised Guidelines for Usage of Previously Cited/Considered Prior Art in Reexamination Proceedings (continued)

• Effective date of "substantial new question of patentability" provision added to 35 U.S.C. §§ 303(a) and 312(a) by Act of 2002 stated as follows:

  "The amendments made by this section shall apply with respect to any determination of the Director of the United States Patent and Trademark Office that is made under section 303(a) or 312(a) of title 35, United States Code, on or after the date of enactment of this Act."
Claiming Benefit of Prior-Filed Application

• **35 U.S.C. 120 Benefit Claims**
  - 35 U.S.C. 120 requires a specific reference to earlier filed (nonprovisional) application for which benefit is sought
  - 37 CFR 1.78(a)(2)(i) defines "specific reference" as
    • (1) an indication of the prior application by application number, and
    • (2) an indication of the relationship between the nonprovisional applications except where benefit claim is to a prior CPA
Claiming Benefit of Prior-Filed Application

–Relationship between any two nonprovisional applications will be indication that later-filed nonprovisional application is either a continuation, divisional, or continuation-in-part of prior-filed nonprovisional application. When benefit claims to multiple prior nonprovisional applications (e.g., string of prior nonprovisional applications), relationship must include identification of each nonprovisional application as either a continuation, divisional, or continuation-in-part application of specific prior nonprovisional application for which benefit is claimed. Identification is needed in order to be able to verify if copendency exists throughout entire chain of prior nonprovisional applications.
Claiming Benefit of a Prior-Filed Application (continued)

• **35 U.S.C. 119(e) Benefit Claims**
  
  – 119(e) requires specific reference to earlier filed provisional application for which benefit is sought
  
  – 37 CFR 1.78(a)(5)(i) defines "specific reference" as an identification of the prior provisional application by application number
  
  – "NO" relationship between the subject nonprovisional application and prior provisional application should be specified
Claiming Benefit of a Prior-Filed Application (continued)

–If subject nonprovisional application was not filed within twelve months of filing date of provisional application, subject application must also include benefit claim under 35 U.S.C. 120 to an intermediate prior nonprovisional application that was filed within twelve months of filing date of provisional application. Therefore, in addition to identification of provisional application, proper benefit claim for this situation must also identify intermediate prior nonprovisional application that is directly claiming benefit of provisional application, and indicate relationship between nonprovisional applications (e.g., an indication that subject application is continuation of intermediate prior nonprovisional application).

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Claiming Benefit of a Prior-Filed Application (continued)

• Improper Benefit Claims Cannot be Accepted and Result in Sanctions
  – When benefit claims are required to, but do not, include:
    • (1) identification of (all) intermediate benefit claims, and/or
    • (2) relationship between nonprovisional applications,
  – Office may **not be able to publish** applications promptly after expiration of period of eighteen months from earliest filing date for which benefit is sought under title 35, United States Code (eighteen-month publication), **nor have accuracy** desired of such benefit claims in application publications.
Claiming Benefit of a Prior-Filed Application (continued)

–Further, objection (by Office), correction (by applicant), and review/entry of changes (by Office) cycle for non-compliant benefit claims is burdensome effort on both applicants and Office that can be totally avoided if such benefit claims are properly submitted the first time.

–Hope applicants will submit benefit claims with all required information and avoid submitting non-compliant benefit claims that lead to extra work for both Office and applicants.
Claiming Benefit of a Prior-Filed Application (continued)

- **Procedures for Making Proper Benefit Claims**
  - Reference to prior nonprovisional application(s) per 37 CFR 1.78(a)(2)(i) must include identification of, and relationship between, applications
  - Reference to prior provisional application(s) per 37 CFR 1.78(a)(5)(i) should only include identification of prior provisional application(s)
  - If benefit is claimed of a prior provisional application which was filed more than one year before the subject application, then each prior nonprovisional application(s) claiming benefit of the provisional must be specified
Claiming Benefit of a Prior-Filed Application (continued)

–Office practice to not require petition and surcharge if benefit claim is not present in the proper place but is recognized by Office continues but applicants are advised that proper reference must be presented
–Correct or add benefit claim after filing
–Each intermediate prior application must have proper reference
–Adding Incorporation-By-Reference Statement in benefit claim is not permitted after filing

• Significant changes permitting Office migration to end-to-end electronic processing environment:
  – Access
  • To USPTO’s electronic records by another patent office will be permitted, if:
    (1) there is an agreement between two offices, and (2) either: (a) applicant gives written consent, or (b) application is otherwise accessible to public.
    Change being made to facilitate information sharing (search exchange) and priority document exchange. In addition, clarified that electronic access may be provided to applications open to public (which includes provisional applications for which priority is claimed in application accessible to public).
    NOTE: Rule 1.14, which addresses access and status to applications, has been totally revised to make it easily understood and practical for Office staff to implement. Included here because of need to provide for electronic access to foreign offices, which would have been difficult to provide for by amending current rule. 37 CFR 1.14

–Amendment practice

• Complete set of claims in successive ascending order, must be submitted each time an amendment of claim is submitted. All current changes must be shown by markups of each currently amended claim in claim set. Status of each claim must also be presented in parentheses following claim number (e.g., original, new, currently amended, previously amended, cancelled, withdrawn, etc.). Text of claims which have been cancelled or withdrawn should not be presented, although claim number and status are required. Separate “clean” version of amended claim will no longer be required. Set of claims and remarks in amendment must start on separate pages to permit separate indexing and rapid viewing and comparing by examiners and public. 37 CFR 1.121

• Section 1.121 –
  – **Claims:** Applicants create complete set of claims as part of each amendment document, totally replacing any and all previous versions of claims throughout application. Results in filing of complete set of claims as well as claim status each time amendment is made.
    • Only claims changed in amendment will include markings to show changes. Unamended claims will be presented in clean version, if unchanged from previous version.

• Applicants will no longer be required to submit clean version and separate marked-up version of claims being changed. Presentation of any claim in clean version would constitute an assertion that no changes have been made from immediate prior version of same claim.

• Cancellation of any claim would be by mere instructions to cancel. Text of canceled or withdrawn claims would not need to be presented in each amendment document; these claims would only have to be indicated as being in status of (canceled) or (withdrawn).

• Any added claims (in current amendment document) should be merely identified in status parenthetical expression as (new) and need not be underlined.

• Status of all claims in application, even those previously canceled or withdrawn, would be indicated in parentheses after claim number in each amendment document.

• Claims should be presented in ascending numerical order. Would prevent grouping of claims by status (all new claims together, all amended claims together, etc.), and ensure complete set of claims in numerical order, regardless of status.

• Consecutive claims of same status, however, could be aggregated (e.g., “Claims 1-5 (previously canceled”). Claim canceled in its entirety could only be reinstated if presented as a new claim with new claim number.
Notice of Request for Comments on Procedures to Implement Exploitation of Search Results Program

- USPTO currently does not have any bilateral and/or multilateral search exchange agreements with any other Intellectual Property Offices.
- USPTO has agreed with European Patent Office (EPO) and Japan Patent Office (JPO) to implement pilot programs to share search results, so as to determine extent to which we can use each other’s search results.
Notice of Request for Comments on Procedures to Implement Exploitation of Search Results Program (Continued)

• EPO, JPO, and USPTO agreed that mutual exploitation of search results program should be implemented in stepwise approach.
  – First step would be to implement a pilot program based on applications filed under Paris Convention, with Office of first filing sharing search results with Office of second filing.
  • Under pilot program, in addition to search results provided by Office of first filing, examiner of Office of second filing will perform complete independent search using search tools available in his or her Office.
Notice of Request for Comments on Procedures to Implement Exploitation of Search Results Program (Continued)

• Two sets of search results will be evaluated to determine to what extent search results from Office of first filing can be used by examiner of Office of second filing.
  – That is, whether search results from Office of first filing can be relied upon by examiner of Office of second filing or whether updated or supplemental searches are necessary.
  – Results of pilot program will be evaluated in 2003 to determine whether any revisions need to be made and whether other work sharing options should be considered.