



11 November 2016

The Honorable Michelle K. Lee
Under Secretary of Commerce for Intellectual Property &
Director of the United States Patent and Trademark Office
Mail Stop CFO
P.O. Box 1450
Alexandria, Virginia 22313-1450

Attention: Raul Tamayo, Senior Legal Advisor

Via email: afterfinalpractice@uspto.gov

Re: IPO's Comments on Post-Prosecution Pilot Program

Dear Director Lee:

Intellectual Property Owners Association (IPO) submits the following comments and suggestions in response to the United States Patent and Trademark Office's "Post-Prosecution Pilot Program," published in 81 Fed. Reg. 44845 (July 11, 2016) (FRN).

IPO is an international trade association representing companies and individuals in all industries and fields of technology who own, or are interested in, intellectual property rights. IPO's membership includes about 200 companies and more than 12,000 individuals who are involved in the association either through their companies or as inventor, author, law firm, or attorney members. IPO membership spans more than 50 countries. IPO advocates for effective and affordable IP ownership rights and provides a wide array of services to members, including supporting member interests relating to legislative and international issues; analyzing current intellectual property issues; information and educational services; and disseminating information to the general public on the importance of intellectual property rights.

IPO appreciates the USPTO's effort to allow stakeholders the opportunity to provide feedback on the Post-Prosecution Pilot (P3) Program, which seeks to enhance the after final landscape and thereby reduce the number of appeals and issues to be taken up on appeal to the Patent Trial and Appeal Board (PTAB) and reduce the number of Requests for Continued Examination (RCE).

Thank you for considering these comments on the FRN. We welcome dialogue and other opportunities to support the USPTO's after final initiatives.

Comments and Suggestions Regarding Section I: Background

Despite the implementation of the current Pre-Appeal Brief Conference Pilot Program (Pre-Appeal) and After Final Consideration Pilot Program 2.2 (AFCP 2.0) summarized in the FRN,

President
Kevin H. Rhodes
3M Innovative Properties Co.

Vice President
Henry Hadad
Bristol-Myers Squibb Co.

Treasurer
Daniel J. Staudt
Siemens

Directors
Steven Arnold
Micron Technology, Inc.
Paul Bartusiak
Motorola Solutions, Inc.
Edward Blocker
Koninklijke Philips N.V.
Tina M. Chappell
Intel Corp.
Karen Cochran
DuPont
John Conway
Sanofi
William J. Coughlin
Ford Global Technologies LLC
Anthony DiBartolomeo
SAP AG
Luke R. Dohmen
Boston Scientific Corp.
Daniel Enebo
Cargill, Inc.
Barbara A. Fisher
Lockheed Martin
Louis Foreman
Enventys
Scott M. Frank
AT&T
Darryl P. Frickey
Dow Chemical Co.
Gary C. Ganzl
Evoqua Water
Technologies LLC
Krish Gupta
EMC Corporation
Carl B. Horton
General Electric Co.
Michael Jaro
Medtronic, Inc.
Philip S. Johnson
Johnson & Johnson
Thomas R. Kingsbury
Bridgestone Americas
Holding Co.
Charles M. Kinzig
GlaxoSmithKline
Joseph C. Kirincich
Avaya Inc.
David J. Koris
Shell International B.V.
William Krovatin
Merck & Co., Inc.
Dan Lang
Cisco Systems, Inc.
Allen Lo
Google Inc.
Timothy Loomis
Qualcomm, Inc.
Thomas P. McBride
Monsanto Co.
Steven W. Miller
Procter & Gamble Co.
Micky Minhas
Microsoft Corp.
Rimma Mitelman
Unilever
Douglas K. Norman
Eli Lilly and Co.
Richard F. Phillips
Exxon Mobil Corp.
Dana Rao
Adobe Systems Inc.
Curtis Rose
Hewlett-Packard Enterprise
Matthew Sarboraria
Oracle Corp.
Manny Schecter
IBM, Corp.
Steven Shapiro
Pitney Bowes Inc.
Dennis C. Skarvan
Caterpillar Inc.
Brian R. Suffredini
United Technologies, Corp.
James J. Trussell
BP America, Inc.
Phyllis Turner-Brim
Intellectual Ventures, LLC
Roy Waldron
Pfizer, Inc.
BJ Watrous
Apple Inc.
Stuart Watt
Amgen, Inc.
Steven Wildfeuer
RELX Group
Mike Young
Roche Inc.

General Counsel
Michael D. Nolan
Milbank Tweed

Executive Director
Mark W. Lauroesch

after final practice continues to present a challenge for both applicants and the USPTO. In a recent USPTO presentation, “After Final” and “Case Prosecution Problems” were listed as two of the top five inquiries for the Ombudsman Program. *See*

Fereydoun G. Sajjadi, Special Programs for Patent Prosecution an Overview, (USPTO Oct. 19, 2016 BCP meeting), at slide 4 (attached). IPO supports USPTO’s decision to continue the Pre-Appeal and AFCP 2.0 programs during the implementation of the P3 program.

Comments and Suggestions Regarding Section II: P3 Participation Requirements and Procedures

The following suggestions and comments are directed to the P3 Participation Requirements and Procedures described in Section II of the FRN.

1. **10-Day Clock:** We suggest that the USPTO clarify that the 10-day clock applies to the timing for the scheduling of the conference and not to the timing of the conference itself. We also suggest that the Office simplify the scheduling process and permit greater flexibility in applying the clock.

The FRN clearly refers to scheduling the conference within 10 days of the date the Office first contacts the applicant:

If within ten calendar days from the date the Office first contacts the applicant, the Office and the applicant are unable to agree on a time to hold the conference, or the applicant declines to participate in the conference, the request will be deemed improper and treated in accordance with the discussion at Section II.B.1 of this notice.

However, we understand that some applicants have encountered a requirement that the conference take place within ten days. This misunderstanding appears to stem from the following guidance provided in USPTO P3 training materials:

Applicant must commit to be available to meet within 10 days of an initial request by the Office to schedule the panel. If Applicant is unable to be available to meet within the specified time period[,] the P3 request will be held defective and treated like a response under 37 CFR 1.116.

See Post-Prosecution Pilot (P3) PTC - Examiner Training (USPTO July 5, 2016), at slide 12 (attached).

Requiring the conference to take place within 10 calendar days is unreasonable and contrary to the FRN. We also understand that some applicants have encountered situations in which USPTO panel members have had difficulty agreeing internally on a mutually acceptable time to hold the conference within the 10-day period, indicating that a P3 hearing could not be held for reasons beyond the applicant’s control, unless agreement could be reached.

We suggest that the Office simplify the scheduling process by modifying the conference participation statement in the P3 transmittal form (PTO/SB/444) to allow applicants to suggest several time windows of availability for the conference. This would allow USPTO panel members to agree on a time based on an applicant's suggested windows prior to contacting applicant. The 10-day clock would not even begin to run in many such situations, because the first contact between the Office and applicant would be to confirm a time within one of the suggested windows. In the event that USPTO panel members are unavailable during any of the windows suggested by applicant, we request that the Office expand the 10-day scheduling clock to 15 business days.

Finally, we suggest that the P3 transmittal form be modified to include an option for applicant to authorize the use of email communications for the purpose of scheduling the conference.

2. **Tolling of After Final Extension Fees:** We suggest that the extension of time provisions of M.P.E.P. § 710.02(e) should apply to the P3 program to toll the fees for obtaining extensions of time. In particular, because the P3 request is a reply filed within two months from the mailing date of the final rejection, we suggest that Notice of Decision be treated in a manner analogous to an advisory action with the period for reply for purposes of determining the amount of any extension fee running from the date on which the Office mails the Notice of Decision. We appreciate that in no event can the period extend beyond six months from the date of the final rejection.
3. **Patent Term Adjustment (PTA):** We request that the USPTO clarify that the P3 request is considered a reply to a final rejection under 37 C.F.R. § 1.113(c) and that a Notice of Decision is an action under 35 U.S.C. § 132, such that the PTA provisions of 37 C.F.R. § 1.703(a)(3) apply.
4. **Compensatory Time:** The “up to three (3) hours” of non-production time provided to examiners for reviewing applicant's arguments, conducting the conference and completing the decision form is insufficient in most cases. *See* “Post-Prosecution Pilot (P3)” Examiner Training at slide 13. We suggest that examiners be provided up to five hours of time. If a P3 conference includes a second primary examiner, we support providing up to three hours to that examiner as well. Anecdotally, we understand that some supervisors are spending more time reviewing the P3 submissions than the examiner of record.
5. **Additional Searches Resulting in Newly Found Prior Art:** We understand that some applicants have been confronted with newly found prior art (not of record) at the P3 conference. The Office should actively discourage this practice, which is unfair to applicants. Although we do not believe the Office should conduct a new search in response to a P3 request, we suggest that if the Office identifies new art during the P3 process that it should re-open prosecution and issue a new, non-final Office Action so that applicant has an opportunity to review and respond to the new art.
6. **Creation of the Panel:** We agree that a supervisory patent examiner (SPE) should coordinate the panel as described in Section II.B.2 of the FRN. However, we understand

that in some P3 conferences the examiner has selected the panel members. The USPTO P3 training materials refer to the selection of “mutually agreeable panel members” and suggest that the examiner can veto the SPE’s choice. *See* Post-Prosecution Pilot (P3) PCT - Examiner Training (USPTO July 5, 2016), at slide 11. The selection of panel members should remain a management decision as specified in the FRN, not to be delegated to the examiner whose final Office Action is at issue.

7. **Panel Composition and Decision Making Process:** The P3 program should be modified to require inclusion of a Quality Assurance Specialist (in place of one of the other panel members) on every panel and the decision on the P3 request should be made by the panel rather than the examiner alone. This modification would help enhance patent quality and reduce the number of appeals and issues to be taken up on appeal to the PTAB.

A recent analysis of applications in the Pre-Appeal program indicates that those panels identified errors in nearly 40% of final rejections, successfully eliminating the need for appeal to the PTAB. *See* K. Fazio and K. Gaudry, 10 Years Later – A Look at the Efficacy of the Pre-Appeal Brief Conference Program (July 21, 2015), <http://www.ipwatchdog.com/2015/07/21/efficacy-pre-appeal-brief-conference-program/id=59937> (copy attached). However, it is clear from the USPTO P3 training materials that the role of the panelists in the P3 program is merely advisory. *See* Post-Prosecution Pilot (P3) - PCT Examiner Training (USPTO July 5, 2016), at slides 15-16 (referring to panelists making a “recommendation” to the Primary Examiner after applicant departs the conference). The FRN expresses a desire for the P3 program to implement effective features from the Pre-Appeal program. We agree—the capability of Pre-Appeal program to successfully identify erroneous rejections is one such effective feature that should be enhanced in the P3 program.

Consequently, we suggest modeling the P3 program’s panel composition and decision process on the Pre-Appeal program as it was originally implemented in TC1600. That implementation required a Quality Assurance Specialist to be present on the panel, which was empowered to make the decision. *See* Bennett Celsa, Jean Witz, Kathleen Bragdon, Pre-Appeal Brief Conference (USPTO Sept. 2009 BCP meeting), at slides 11-12 (attached). When implemented in combination with the effective features of AFCP 2.0 referred to in the FRN, we believe that the number of appeals and issues being appealed to the PTAB would be reduced and patent quality would be enhanced.

8. **Conduct of Post-Prosecution Pilot Conference:** P3 panelists should be encouraged to ask questions during applicant’s presentation. We understand that a number of P3 conferences have been conducted without the applicant receiving questions from the panel. The success of the First Action Interview Pilot Program (FAI) demonstrates that enhanced interaction between applicant and examiner can advance compact prosecution and improve patent quality. Lack of interaction in P3 conferences is a missed opportunity. We appreciate that the P3 conference is meant to be more similar to a hearing before the PTAB than to an interview, but PTAB judges routinely ask questions at oral hearing and the resulting dialogue can clarify the issues and improve the quality of the decision. We also appreciate that the apparent reluctance of some panelists to ask

questions might reflect their desire to be respectful of applicant's 20-minute presentation time limit. We suggest that the USPTO modify the description of the 20-minute time allocation to suggest allotting 15 minutes for presentation and the remaining time for a question and answer period.

Additional Comments and Suggestions

We encourage the USPTO to consider abolishing final office actions and implementing Proposal 5 (Review of the Compact Prosecution Model and the Effect on Quality) of the original Enhanced Patent Quality Initiative as set forth in 80 Fed. Reg. 6475 (Feb. 5, 2015) and discussed at the March 2015 Patent Quality Summit. As noted in IPO's submission to the USPTO in response to the request for comments in that 2015 FRN, we support enhancing the efficiency of the current compact prosecution model by eliminating current final rejection practice. Final rejections insert an artificial and unnecessary pause into the prosecution flow for the cohort of applications (approximately 25%) that do not currently reach final disposition (allowance or abandonment) within the typical two office actions. Final disposition could be achieved more efficiently by continuing the prosecution flow for this cohort. Abolishing final rejection practice would also eliminate the need for the various after final programs discussed above.

Thank you for considering these comments. We welcome further dialogue or opportunity to provide additional information to assist your efforts in improving after final practice and patent quality.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Lauroesch". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Mark Lauroesch
Executive Director

Attachments (4)