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WHEN YOU NEED YOUR PATENT FAST: Choosing Between “Track 1” and Accelerated Examination

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Currently, it takes three or more years to get a patent. That length of time is a significant disadvantage for businesses because of the inherent uncertainty of not knowing when or whether a patent will issue and what effect the passage of time will have on the value of that invention. Happily, the US Patent and Trademark Office now has two alternative routes for getting a patent within one year of the filing date of an application – assuming the invention described in the application is patentable at all: Track 1 and Accelerated Examination. Track 1 is a relatively new procedure; Accelerated Examination has been in use for almost five years. Which route should you choose?

Track 1 is straight-forward. Essentially, the applicant pays a fee for priority examination on top of the other filing fees, and, as long as that applicant sticks to the prosecution schedule and meets a few other requirements, he is spared enduring the long, barren wasteland of time currently encountered between the filing of an application and the moment that application is taken up by an examiner. That time, often two years or more, essentially disappears from what then is otherwise much like the usual prosecution schedule.

There are a few requirements of course:

- (1) the application may contain no more than 30 claims of which no more than four may be independent claims (and no multiple dependent claims);
- (2) the application must be complete on filing – and filed electronically, of course – although the applicant may subsequently file a preliminary amendment; and
- (3) a request for an extension of time to respond to an office action or suspension of prosecution causes the application to jump Track 1 and thereafter be handled in the usual manner.

And did I mention the additional fee? The priority fee is \$4800 for large entities; \$2400, for small entities (there are no microentity fees as yet for Track 1 applicants). Applicants also have to pay the publication fee on filing even if they request non-publication of their applications. The word “tip” means “to insure promptness,” so just think of the \$4800 as a tip, that is, if you can think of \$4800 as a tip.

The Track 1 application may be an original application, a continuation application, or a divisional application, but not a national phase application coming off a PCT application (which leaves open

the question as to whether you can choose Track 1 for a “bypass application” under section 111(a), but I digress). Patent prosecution, other than encouraging use of telephone interviews, operates in much the same manner as in the current process.

The alternative to Track 1, Accelerated Examination, is quite a bit different. The applicant essentially performs his own first office action and files it with his application. This first office action is in the form of two documents: an Accelerated Examination Pre-examination Search Report, describing the search logic and databases searched, and an Accelerated Examination Support Document, describing what the prior art teaches.

From these two documents, Patent Office examiners should be able to tell whether the applicant searched in the right places so as to be likely to find the closest prior art and evaluated fairly the closest references he found. The application is then passed to a third examiner who determines if the claims are allowable or not.

An interesting dynamic occurs in Accelerated Examination that does not occur in routine patent prosecution. It eliminates the possibility that an examiner will use hindsight. As a result, prosecution moves along much with minimal effort.

The usual patent examination process begins with construction of the claims by the examiner, followed by the examiner’s search. If the closest prior art reference found does not contain all the elements and limitations, the examiner will look for art that does contain them. He will combine the references in rejecting the claims for obviousness and needs only to provide a reason for justifying the combination. Although the examiner will provide a reason for the combination, the immediate reason for the combination is because there were limitations in the claims that were not in the closest prior art. The applicant will respond to an obviousness rejection with amendments and arguments. This process is inherently polarizing and it is difficult, despite the best intentions of both parties, to avoid that polarization. Moreover, polarization tends to feed on itself making prosecution often unproductive.

In accelerated examination, there is no need for the examiner to find prior art; the applicant finds it. And there is clearly a need for the applicant to find the closest prior art. The applicant does not want an invalid patent or to lose a patent for inequitable conduct. The examiner could view the applicant-cited art with suspicion but fortunately, before the examiner gets the case, the first two examiners who review the accelerated examination case verify that search is complete and that the applicant’s statements about what that prior art teaches are accurate. Their review sanitizes the case. The review of the search report and support documents by the first two examiners before they are forwarded to the examiner who determines patentability cleanses these documents of applicant bias. Accordingly, the examiner who determines patentability need only look at the stated differences between the claimed invention and the closest prior art to determine if the differences indicate the invention is obvious.

The third examiner does not determine the level of skill of in the prior art, does not determine the prior art, and does not identify the differences between the prior art and the claimed invention. However, he can be confident those tasks have been done fairly because his colleagues have checked the applicant’s statements. With the polarizing nature of the process eliminated and hindsight never a factor, obviousness becomes a simpler test to apply.

Not surprisingly, statistics on applications show prosecution of an accelerated examination is much more likely to result in a patent. For routine applications, the percent of applications allowed has been in the mid 30% range since the KSR International decision in late 2007, although it is trending upward into the upper 40%, probably as applicants have readjusted their expectations. For accelerated examination, the overall percentage of applications allowed is over 80%.

I've talked to several examiners handling accelerated examination and, to put it succinctly, they like it: everything they need to determine patentability is right in front of them and they believe the applicant gets a better patent, particularly since other examiners independently review the search and the support documents. Prosecution often becomes an agreeable "non-event" rather than the equivalent of a bitter campaign on the Eastern Front. It may perhaps be limited to a simple phone call interview to tidy up a claim or two. Ho-hum. Mirabile dictu, the reduced prosecution costs also help offset the extra cost to prepare the search report and support document.

Will Track 1 also result in an increase in the rate of allowed applications? There is no inherent reason for thinking so because the process is essentially unchanged. Of course, the US Patent and Trademark Office management will have an interest in the success of Track 1 and success will be measured in part by applicants' satisfaction with it, so there may be a subtle pressure in favor of allowance. Also, the price tag will tend to act as a barrier to applications filed by private inventors and thus to favor corporate-filed applications, which are often viewed rightly or wrongly as disclosing more significant inventions in better-prepared applications. This same mechanism applies with accelerated examination, too, of course. It will be interesting to look at the statistics after a few years to see whether Track 1's allowance rate is different.

Accelerated Examination is especially suited when the prior art is crowded and highly technical and the invention is a small but significant improvement over that prior art. Under these circumstances, it is very easy for the examiner to become overwhelmed and lost in the details of the prior art, particularly under the usual Patent Office time constraints. In accelerated examination, the search and particularly the support documents can and should focus the examiner on the critical features of the invention.

Track 1 would seem to be ideal for the straight-forward, easy-to-understand improvement for the "ready-to-go-to-market" commercial invention.

I am glad these two routes are available. Still, twenty years ago, it was typical to get patents within 15 months after filing – and for what was a modest filing fee. Now, despite the improvements in technology that make many aspects of patent prosecution more efficient, we need special fees and special procedures for the same result. Furthermore, the fact that these two prosecution paths are being offered suggests that the regular path is not likely to become quicker anytime soon.

DOT COM WHO?

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Today, the Internet is the go-to venue for advertising and selling all types of goods and services. Controlling how potential consumers find information on the Internet, therefore, is of great importance to any business or entrepreneur.

Each Internet website is located at a global address, called a Uniform Resource Locator (URL), within the World Wide Web. The most recognized part of this address by a consumer is the domain name. Domain names are used in URLs to identify particular Web pages. Particularly, the right-most portion of a domain name (e.g., the “.com” of www.google.com) is referred to as its “top-level domain” (TLD). TLDs with three or more characters are referred to as “generic” TLDs, or “gTLDs.”

Without question, .com has dominated other gTLDs since its introduction in terms of popularity. No other gTLD is as sought after, or fought over for that matter, by companies seeking to stake their claim in cyber property. With such a successful reign over the gTLD kingdom, it is difficult to envision any other gTLD ever taking .com’s place.

The Internet Corporation for Assigned Names and Numbers (“ICANN”) is at least willing to give others a try. With its launch of the new gTLD program, ICANN is inviting applications for new top-level domain names. The program’s goals, as stated by ICANN, include enhancing competition and consumer choice. However, with the costs involved and the rigorous application requirements, not to mention the poor success rate of prior gTLDs, potential applicants are left wondering if the effort will be worthwhile.

Applications must be filed between January 12, 2012 and April 12, 2012. The initial application fee is only US \$185,000.00. Completing the application will also require technical, business, and legal considerations. There is no guarantee that an applicant will get the domain sought and if others apply for the same domain, it will be awarded to the highest bidder. Furthermore, successful applicants will be required to execute a 10-year registry agreement with ICANN (that carries with it continuing fees) and must meet various ongoing ICANN compliance requirements. The estimate for total fees and costs associated with the application and evaluation process, together with operational costs and legal fees, is between \$1.2 and \$2 million.

Not to be overlooked, applying for a new gTLD is not the same as simply registering a second-level domain used in connection with prior existing gTLDs. A new gTLD is actually a registry business. The owner of the gTLD will be responsible for a new piece of Internet real estate, and will be in control of all domain names leasing space on that real estate. Running a registry requires employing specialized staff.

In view of the high costs and the uncertainty surrounding the process of obtaining the new gTLDs, companies without broad consumer recognition should be cautious of this opportunity. Nevertheless, the possibility of staking a claim to a brand gTLD, which will provide ownership of the entire domain name thereby enhancing a company’s control over how potential consumers find its goods and services on the Internet, may be difficult to resist soon.