



# **Wisconsin Intellectual Property Law Association**

**John Doll**

**From Patent Examiner to Commissioner:  
My Perspective and Suggestions to Succeed**

October 29, 2009



# Overview

- **FY 2009 Statistics**
- **The Rules Packages Plus Some**
- **Examiner New Count System**
- **GAO Goals Study Recommendation**
- **Enhanced 1<sup>st</sup> Action Interview Pilot**
- ***Bilski v. Kappos***
- **International Work Sharing**

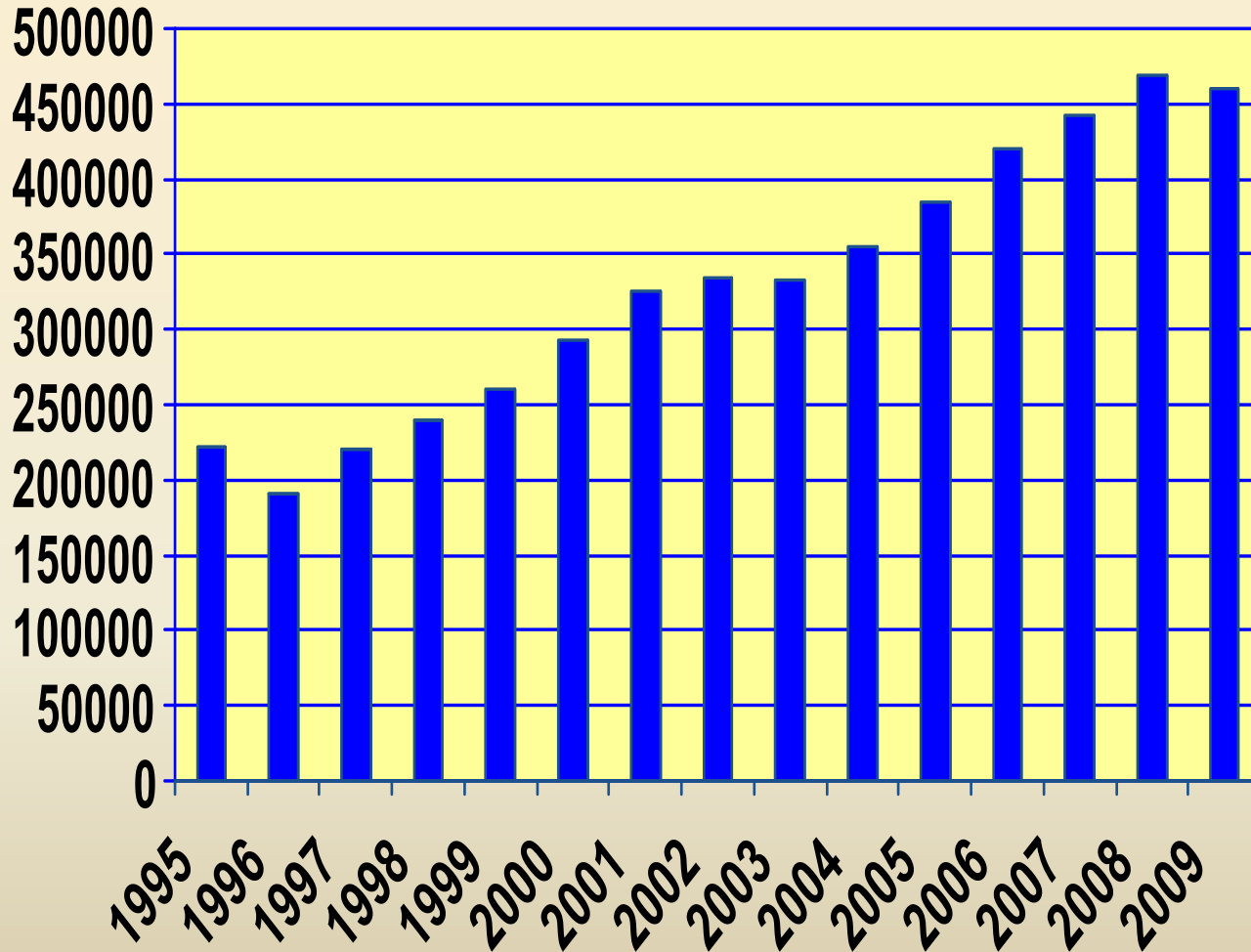




# Fiscal Year 2009 Statistics



# UPR Filings

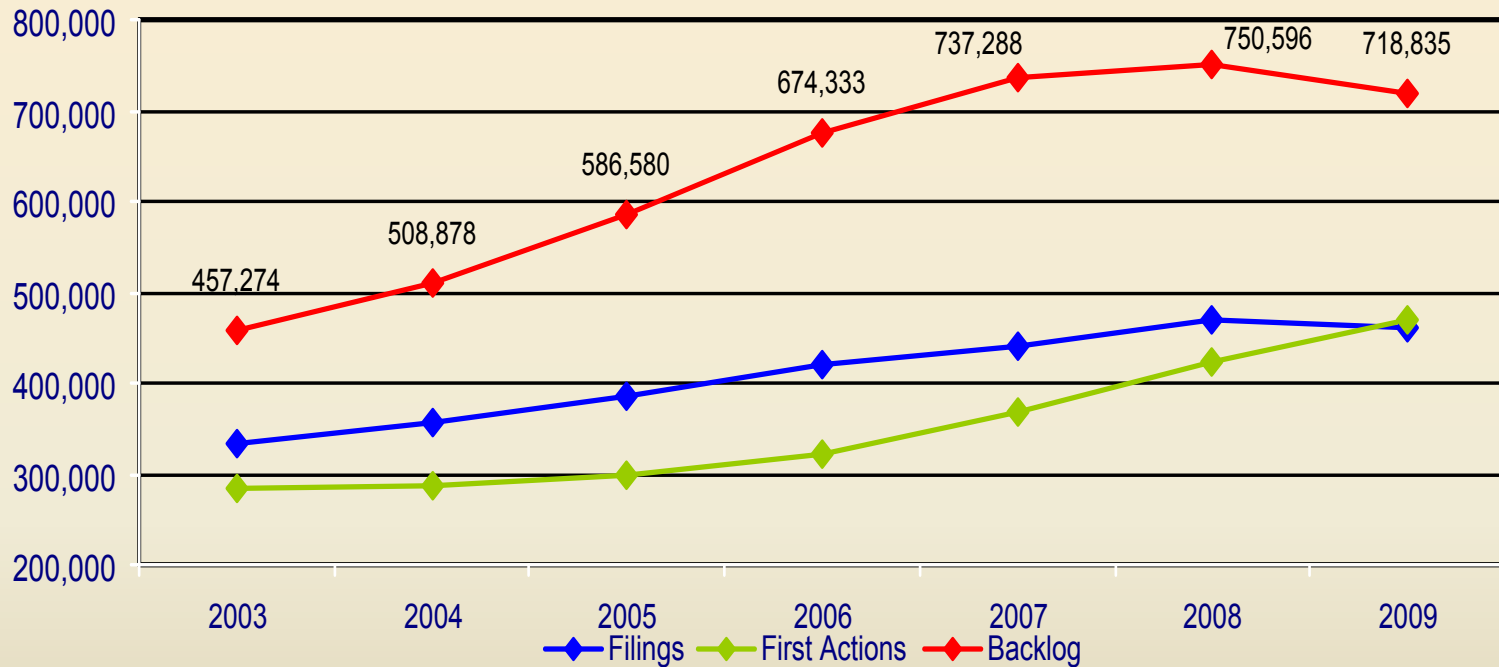


- **FY 08**  
468,669
- **Growth of**  
6.1% from '07
- **FY 09 \***  
459,919
- **Growth of**  
-1.9% from  
'08

\* FY 09 Filings are Preliminary



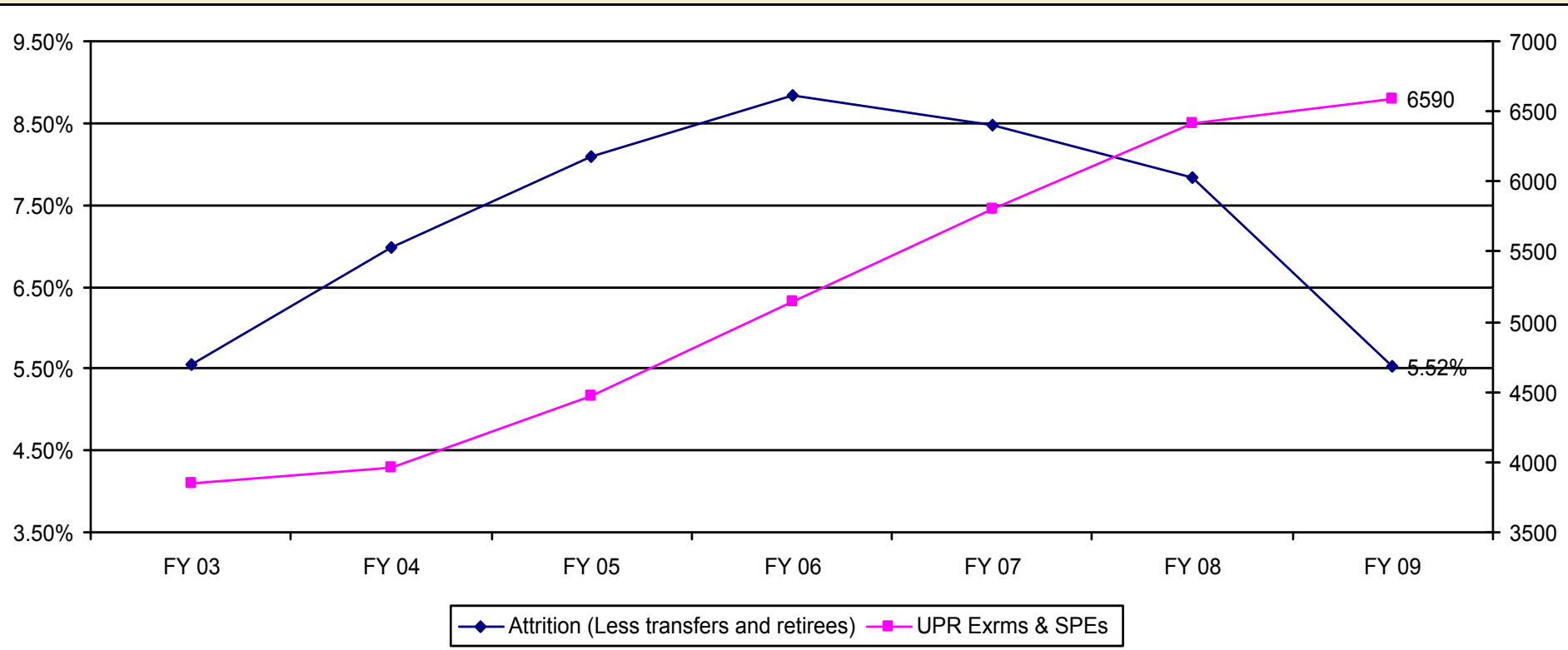
# Filings, First Actions, & Backlog



- FY09**
- Backlog decreased **4.2%**
  - Filings decreased **1.9%**
  - 1st Actions increased **11.3%**



# Attrition and UPR Staff



# Patent Pendency – FY 08 and FY 09

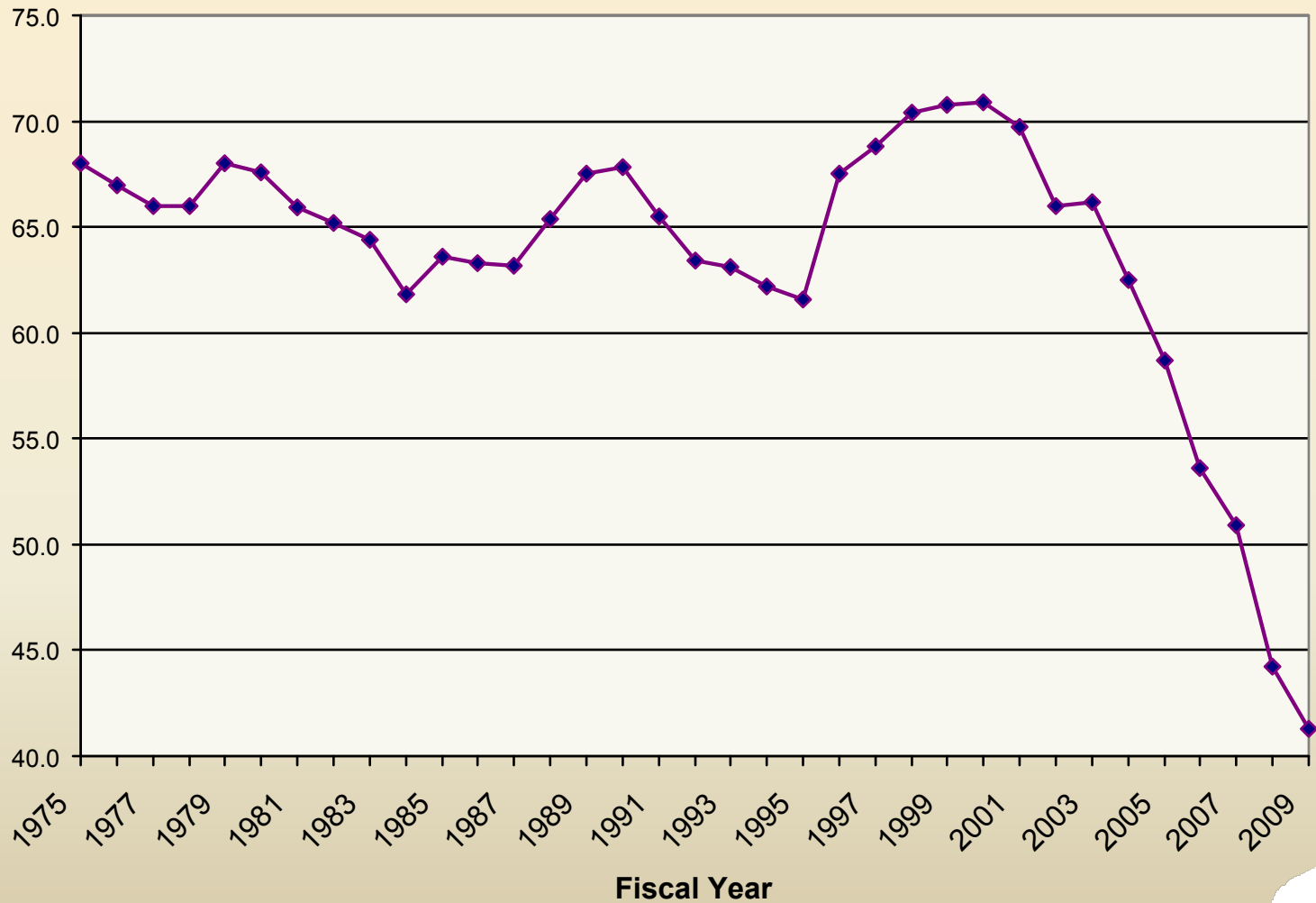
Technology Center	Average 1 <sup>st</sup> Action Pendency (months) <sup>1</sup>	Average 1 <sup>st</sup> Action Pendency (months) <sup>1</sup>	Average Total Pendency <sup>2</sup> (months) 4 <sup>th</sup> Quarter FY08	Average Total Pendency <sup>2</sup> (months) 4 <sup>th</sup> Quarter FY09
1600 - Biotechnology and Organic Chemistry	19.9	<b>22.5</b>	34.8	<b>35.1</b>
1700 - Chemical and Materials Engineering	27.5	<b>25.9</b>	36.3	<b>37.4</b>
2100 - Computer Architecture Software	30.8	<b>29.4</b>	42.4	<b>40.7</b>
2400 - Networking, Multiplexing, Cable, and Security		<b>28.6</b>		<b>47.7</b>
2600 – Communications	32.5	<b>33.0</b>	43.6	<b>42.7</b>
2800 - Semiconductor, Electrical, Optical Systems	19.5	<b>20.8</b>	28.2	<b>29.7</b>
3600 - Transportation, Construction, Electronic Commerce	24.3	<b>24.4</b>	34.8	<b>35.1</b>
3700 - Mechanical Engineering, Manufacturing Products	24.7	<b>26.5</b>	32.7	<b>35.5</b>
UPR Total	25.6	<b>25.8</b>	32.2	<b>34.6</b>

<sup>1</sup> “Average 1<sup>st</sup> action pendency” is the average age from filing to first action for a newly filed application.

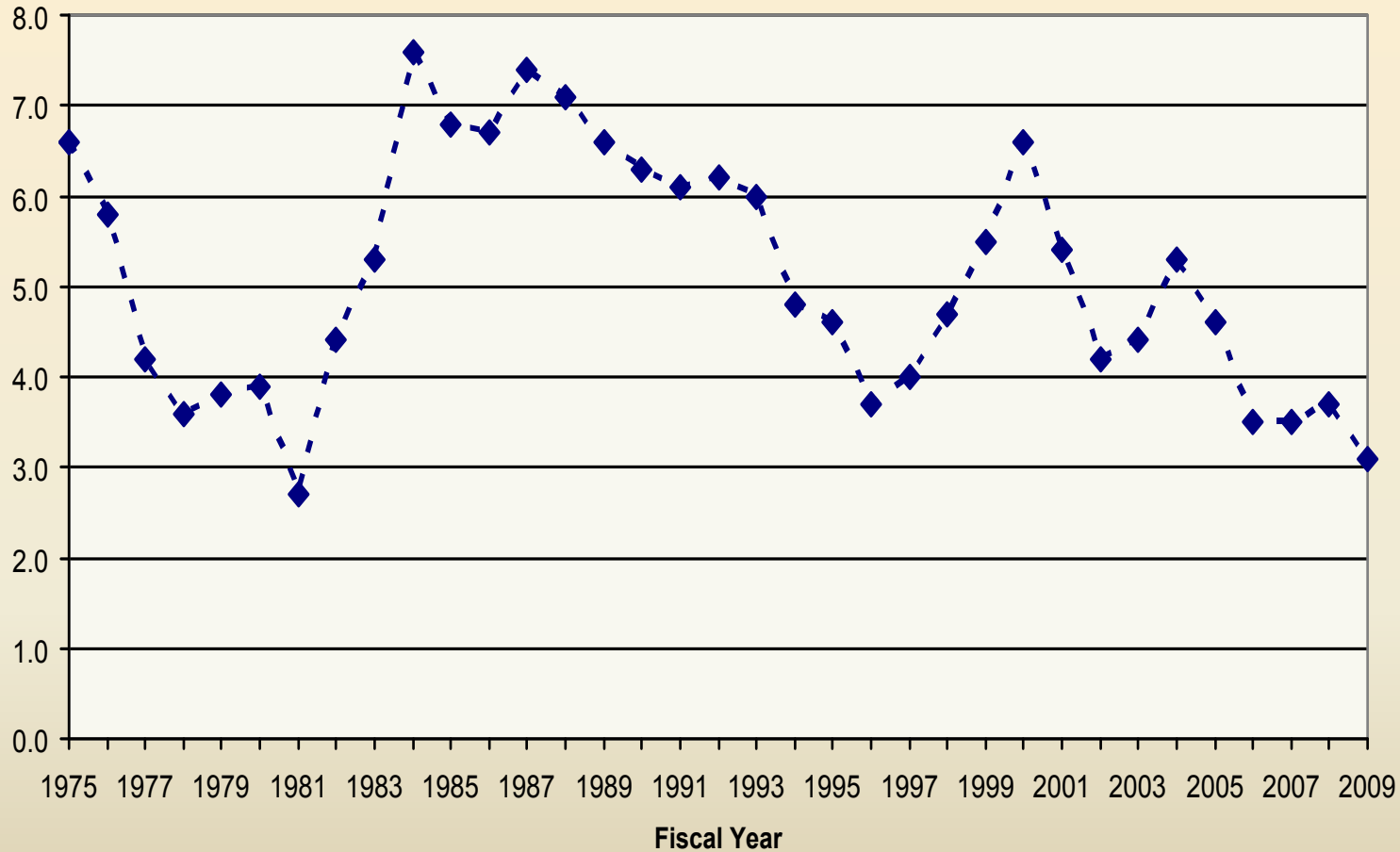
<sup>2</sup> “Average total pendency” is the average age from filing to issue or abandonment of a newly filed application.



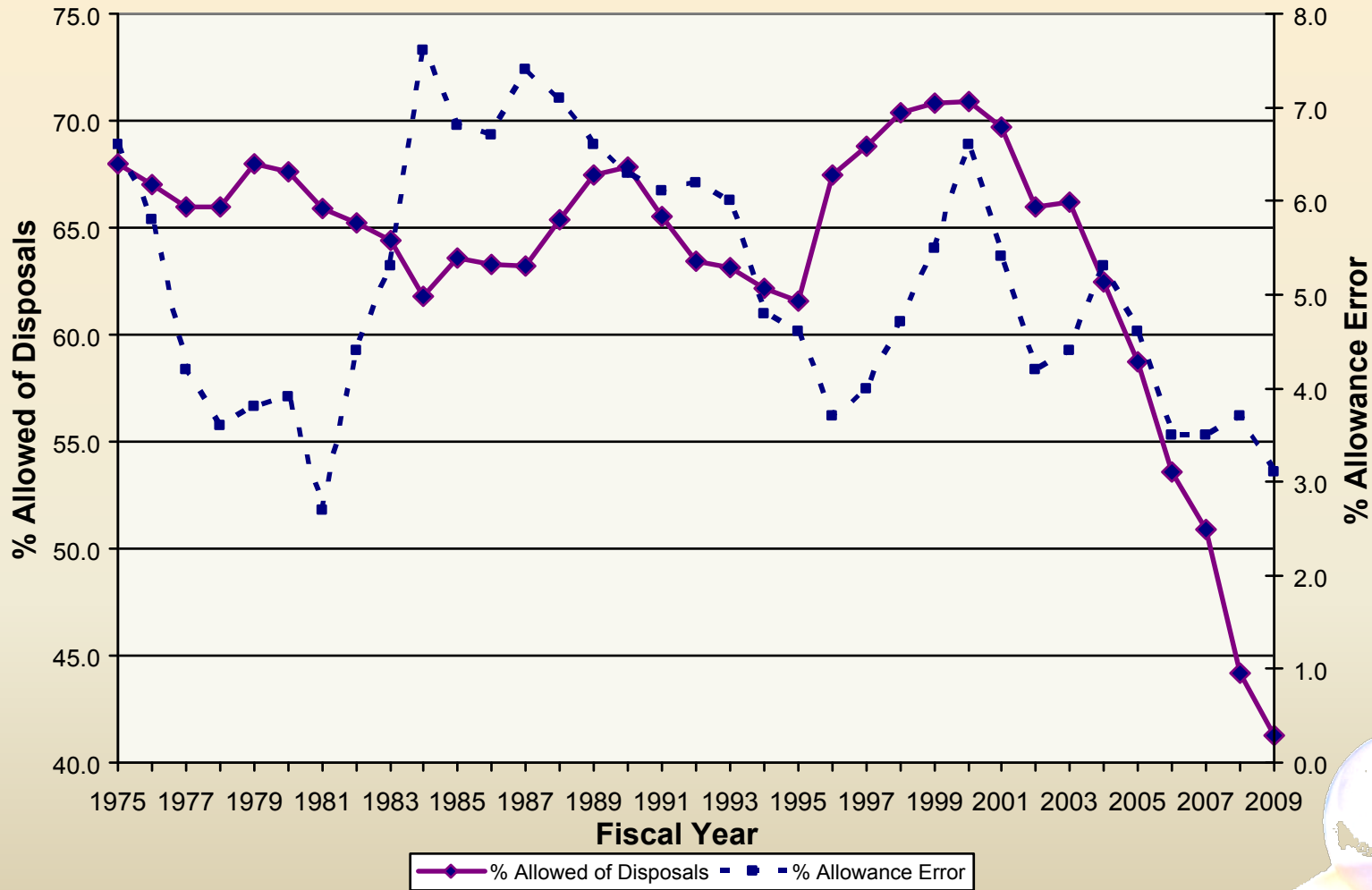
# Allowance Rate



# Allowance Error Rate

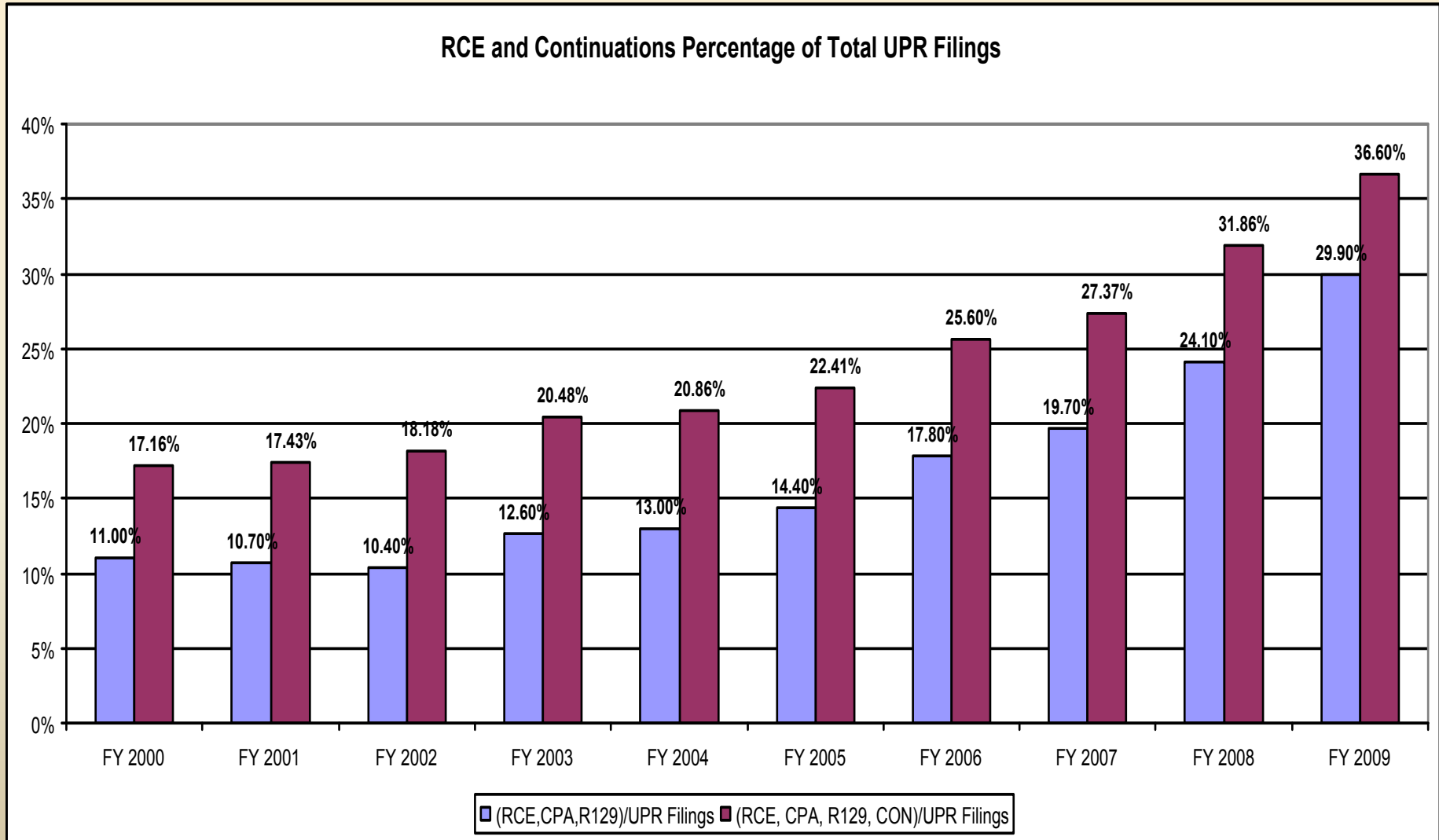


# Error and Allowance Rates



# RCE and Continuations

## Percentage of Total UPR Filings





# The Rules Package Plus Some



# Proposed Rules Changes

- **Claims and Continuing Applications**
- **Information Disclosure Statements**
- **Alternative / Markush Claims**
- **Bio-Deposits**



# Application Quality

## Quality is a shared responsibility:

- ◆ Applicants, Attorneys, and Agents can make a huge difference in the Quality of application preparation and prosecution
- ◆ I believe it is a prosecution responsibility to ensure the examiner has the best prior art
- ◆ And understands why it is or is not pertinent to the prosecution of the application





# Examiner New Count System



# The “New Count System”

- Joint Labor and Management Count System Task Force Team
  - ◆ Management team was lead by:  
Peggy Focarino, DC for Patents
  - ◆ Labor team was lead by:  
Robert Budens, President of POPA
- Briefed the Examining Corps
- Next - Brief IP Community and Get Feedback
- Full Set of Slides:

[www.uspto.gov/web/offices/ac/ahrpa/opa/documents/briefing\\_for\\_corps-final\\_draft-093009-external-jrb.pdf](http://www.uspto.gov/web/offices/ac/ahrpa/opa/documents/briefing_for_corps-final_draft-093009-external-jrb.pdf)



# Director's Task Force Objectives

- Do no harm
- Provide examiners with incentives to:
  - ◆ Address issues early in the examination process
  - ◆ Reach out to applicants
- Reduce rework
- Deliver net gain for all stakeholders
- Improve working conditions
- Develop initial plan and institute an iterative process for improvement



# Overview of Proposed Package

- Combination of count system changes and more time for examiners
  - ◆ More time overall (increase in Hrs/BD)
  - ◆ More time for FAOM (shift in counts so FAOMs get more credit)
  - ◆ Provide time for examiner-initiated interviews
  - ◆ Diminish credit for RCEs
  - ◆ Consistent credit for transferred or “inherited” amendments
  
- Improved working conditions
  - ◆ Reduce examiner reluctance to allow applications
  - ◆ Shift resources from a focus on Examiner Recertification to front end quality improvements



# Additional Time for Examination

- Additional Time for Utility and Design Examiners
  - ◆ Start by adding 2 hours to each examiner's FY 09 Hrs/BD
  - ◆ Determine impact of reduction in RCE counts based on examiner's FY 09 RCE mix
  - ◆ Add additional time, if necessary , to account for reduction in RCE counts so that every examiner gets at least 1 net additional hour over their FY 09 expectancy (Hrs/BD)
  
- Additional Time for Design Examiners
  - ◆ Add 0.7 hours to each examiner's FY 09 Hrs/BD
  - ◆ No RCE adjustment required



# Revisions to Count System

Current Count System Original Case (Non-RCE)			1st RCE			2nd & Subsequent RCEs			Current Counts	
FAOM	Final	All/Abn	FAOM	Final	All/Abn	FAOM	Final	All/Abn		
1.00		1.00							2	Original
1.00		1.00	1.00		1.00				2	1st RCE
1.00		1.00	1.00		1.00	1.00		1.00	2	2nd & Subsequent RCEs

Proposed Count System Original Case (Non-RCE)			1st RCE			2nd & Subsequent RCEs			Proposed Counts	
FAOM	Final	All/Abn	FAOM	Final	All/Abn	FAOM	Final	All/Abn		
1.25	0.25	0.5							2.00	Original
1.25	0.25	0.5	1.00	0.25	0.5				1.75	1st RCE
1.25	0.25	0.5	1.00	0.25	0.5	0.75	0.25	0.5	1.50	2nd & Subsequent RCEs

In proposed new count system, after an FAOM the examiner gets the remainder of counts (0.75), either by:

- Getting a Disposal (0.75) with no previous Final Rejection, or
- Doing a Final Rejection (0.25) then subsequently getting a Disposal (0.50)



# Comparison of Current System to Proposed New System

In FY 09, an Examiner had 1,150 examining hours:

Examiner's FY09 Stats	Current Count System	Proposed Count System
35 Reg. FAOMS (70% Reg FAOM)	35 counts	43.75 counts
15 RCE FAOMS (30% Reg FAOM) 75% 1 <sup>st</sup> RCEs, 25% 2 <sup>nd</sup> & subsequent RCEs	15 counts	14.06 counts
50 Finals	0 counts	12.5 counts
50 Disposals	50 counts	25 counts
Total	100 counts (50 BDs)	95.31 counts (47.66 BDs) <i>[reduced total counts]</i>
Goal: HRs/BD at position factor	23.0 HRs/BD	25.08 HRs/BD <i>[adjusted higher Hrs/BD]</i>
% Achievement	100.0%	103.9%



# RCE Counts Impact on Hrs/BD

If examiner has a mix in FY09 of 70% Reg (Non-RCE) FAOMs, 22.5% 1st RCE FAOMs, and 7.5% 2nd + RCE FAOMs:

	Current Counts	Proposed Counts	Individual Examiner FAOM mix from FY09
<b>Reg/Original (Non-RCE)</b>	2.0	2.0	70% Reg (Non-RCE) FAOMs
<b>1<sup>st</sup> RCE</b>	2.0	1.75	22.5% 1 <sup>st</sup> RCE FAOMs
<b>2nd &amp; subsequent RCEs</b>	2.0	1.50	7.5% 2 <sup>nd</sup> + RCEs FAOMs

Equivalent HRs/BD impact based on FY09 RCE mix due to count changes:

- Impact =  $[(\text{weighted proposed counts} - \text{current counts}) / \text{current counts}]$
- Impact =  $[(((2.0 \times 70\%) + (1.75 \times 22.5\%) + (1.50 \times 7.5\%)) - 2.0) / 2.0]$
- Impact = - 4.69 %
- Impact = - 4.69 % x 23.0 HRs/BD [Examiners HRs/BD]
- Impact = - 1.08 HRs/BD [Impact to Examiners HRs/BD]



# Standardized Credit for Transferred or “Inherited” Amendments

- The initial or first Office Action done by the new examiner on the transferred or “inherited” amendment will get a set amount of counts.
- Regular (Non-RCE) transferred or “inherited” amendments will have 1.5 counts total available for the new examiner.
- RCE transferred or “inherited” amendments will have 1.75 counts total available for the new examiner.
- After the initial action by the new examiner (if it is not a disposal), the remaining counts (for Final and Disposal) are the same as the new count scheme after FAOM.



# Examiner-Initiated Interviews

- A program for granting non-examining time for substantive examiner-initiated interviews. One hour of non-examining time will be granted for conducting the interview and preparing the post-interview documentation for examiner initiated interviews.
- This time is not to be used for routine telephonic restrictions.
- Examiners are to continue to follow guidance in MPEP section 713 regarding interview practice, use the proper interview forms, and document a clear, concise interview summary that ensures the substance of the interview is on the record.
- Examiners are also encouraged to follow the best practices outlined in the Interview Training workshop.



# Changes in Docket Management Policies

- Special New Case Docket
  - ◆ RCEs filed on or after a date to be determined will be placed on the Special New Case docket
- No longer on the examiner's Amended Docket
  - ◆ With a two month turn around time period



# POPA Membership Vote

- The POPA Membership Approved the Count System Task Force Recommendation:
  - ◆ 63.4% - Yes
  - ◆ 36.6% - No



# Potential Risks

- Increase in Pendency
  - Net increase in time for examination could result in less examiner output
- Decrease in Revenue
  - Less examiner output translates into reduction in fee income (e.g. issue fees, maintenance fees, extensions of time, etc.)
- *It is believed the combination of initiatives in this package will work to mitigate the risks.*





# GAO Goals Study Recommendations



# Goals Study GAO Recommendation

- GAO-07-1102, Hiring efforts Are Not Sufficient to Reduce the Patent Application Backlog, September 2007
- Recommendation: The U.S. Patent and Trademark Office undertake a comprehensive evaluation of the assumptions that the agency uses to establish patent examiner production goals and revise those assumptions as appropriate.



# GAO Goal Study Status

- USPTO Contracted with ICF International
  - ◆ Recommended in November 2008 that data be collected to determine which examination areas need adjustments
- USPTO awarded a contract to the Manhattan Strategy Group
  - ◆ Work started in October 2009





# Enhanced 1<sup>st</sup> Action Interview Pilot



# “Enhanced” 1<sup>st</sup> Action Interview Pilot

- Benefits of Participation:
  - ◆ Ability to advance prosecution of an application
  - ◆ Enhanced interaction with the examiner
  - ◆ Opportunity to resolve issues one-on-one with the examiner at the beginning of prosecution, and
  - ◆ Opportunity to facilitate early allowance
- [http://www.uspto.gov/web/offices/pac/dapp/opla/preognotice/faipp\\_v2.htm](http://www.uspto.gov/web/offices/pac/dapp/opla/preognotice/faipp_v2.htm)



# 1<sup>st</sup> Action Interview Pilot

## Statistics *as of September 25, 2009*

- 493 Applicants have joined the pilot program
- 381 Pre-interview Communications mailed
- 320 Interviews have been conducted
- 276 First Action Interview Office Actions mailed
- 118 Allowances:
  - 53 allowed after pre-interview communication but before FAI office action
  - 37 allowed after the FAI office action
  - 28 allowed without/before pre-interview communication



# Application Eligibility

- **New utility non-provisional applications that fall within one of the following groups may be eligible for the Enhanced First Action Interview Pilot Program:**
- Applications filed on or before November 1, 2006, and assigned to workgroup 1610 .
- Applications filed on or before October 1, 2006, and assigned to art unit 1795.
- Applications filed on or before February 1, 2008, and assigned to workgroups 2150 and 2160.
- Applications filed on or before July 1, 2008, and assigned to workgroups 2440 and 2450.
- Applications filed on or before June 1, 2007, and assigned to art unit 2617.
- Applications filed on or before May 1, 2008, and assigned to art units 2811-2815, 2818, 2822-23, 2826, 2891-2895.
- Applications filed on or before December 1, 2007, and assigned to art unit 3671.
- Applications filed on or before January 1, 2008, and assigned to art unit 3672.
- Applications filed on or before November 1, 2007, and assigned to art unit 3673.
- Applications filed on or before February 1, 2008, and assigned to art unit 3676.



# Application Eligibility Continued

- Applications filed on or before July 1, 2007, and assigned to art units 3677.
- Applications filed on or before November 1, 2007, and assigned to art units 3679.
- Applications filed on or before May 1, 2006, and assigned to art unit 3735.
- Applications filed on or before April 1, 2007, and assigned to art unit 3736.
- Applications filed on or before December 1, 2006, and assigned to art units 3737.
- Applications filed on or before August 1, 2006, and assigned to art units 3768.
- Applications filed on or before December 1, 2006, and assigned to art unit 3739.
- Applications filed on or before September 1, 2007, and assigned to art units 3762 and 3766.
- Applications filed on or before September 1, 2006, and assigned to art unit 3769.
  
- **Class and art unit assignment data are available via the Patent Application Information Retrieval System (PAIR) at Public PAIR link <http://portal.uspto.gov/external/portal/pair>.**





# *Bilski v. Kappos*



# *Bilski v. Kappos*

- Examination Guidance Pending a Final Decision from the Supreme Court
- [http://www.uspto.gov/web/offices/pac/dapp/opla/2009-08-25\\_interim\\_101\\_instructions.pdf](http://www.uspto.gov/web/offices/pac/dapp/opla/2009-08-25_interim_101_instructions.pdf)
  - ◆ Drew Hirshfeld, Acting DC for Patent Examination Policy, August 24, 2009, Memo to the Patent Corps
  - ◆ Interim Examination Instructions for Evaluating Subject Matter Eligibility under 35 USC § 101
  - ◆ Slides Used to Train the Examiners
    - With Product and Process FlowCharts
    - With Product and Process Examples



# Overview of Interim Examination Instructions

- Instructions were written in an effort to minimize the impact on certain technologies
  - ◆ Software, Business Methods, and Biotech
- Bilski only deals with method claims
  - ◆ Instructions pertain to both method and product claims
- Bilski questioned the viability of the useful, concrete, and tangible result test as the proper test



# Important Aspects of the Instructions

- Evaluation of all method claims under the machine-or-transformation test to determine if process is statutory
- Evaluation of product claims that recite judicially excepted subject matter are properly limited to a particular practical application of the subject matter
  - ◆ Abstract Ideas, Natural Phenomenon, Laws of Nature
- Refocus of functional and non-functional descriptive material evaluations from subject matter eligibility to patentable distinction to treat claims as a whole
  - ◆ As mandated by the Supreme Court in *Diehr*



# On-Going Work

- Technology Center Art specific examples are being developed by OPLA with the Technology Centers
  - ◆ Specific examples will be publically posted as soon as they are issued to the examiners
- The Office continues to review new developments in the case law which will be reflected in the Instructions
- The Office requested public comments on the Interim Examination Instructions by September 28, 2009
  - ◆ Will review all comments
  - ◆ Will revise Instructions as appropriate





# International Work Sharing



# Worksharing

- **Number of initiatives underway to promote examination efficiencies in participating IP Offices**
  - ◆ **Patent Prosecution Highway (PPH)**
  - ◆ **IP5 Foundation Projects**
  - ◆ **SHARE**



# Real Results in WorkSharing

- Patent Prosecution Highway
  - Proposed by JPO in 2005
  - First true, implemented WorkSharing Program
  
- PCT => Limited WorkSharing Data



# Patent Prosecution Highway

## □ Basic Principle

- When claims are determined to be allowable in the Office of First Filing (OFF), the corresponding application in the Office of Second Filing (OSF) is amended to contain only the allowed claims
- **Advanced Out of Turn !!!**

## □ Purpose

- Avoid Duplication of Work
- Expedite Examination / Improve Quality in the International OSFs



# Patent Prosecution Highway

## □ PPH Permanent Program

- Japan January 2008
- Korea January 2008

## □ Current PPH Pilots

- EPO, United Kingdom, Canada, Australia, Denmark, Singapore, Germany, Finland



# PPH Breakdown by TC

▪ TC 1600	58
▪ TC 1700	216
▪ TC 2100	155
▪ TC 2400	119
▪ TC 2600	572
▪ TC 2800	225
▪ TC 3600	138
▪ TC 3700	<u>109</u>
	1592

(as of July 1<sup>st</sup>)



# Patent Prosecution Highway

- Overall Allowance Rate
  - PPH cases: ~95%
    - First Action Allowances: ~23%
  - Non-PPH cases: ~40%
    - First Action Allowances: ~12%
  
- Actions per disposal
  - PPH cases: 1.7
  - Non-PPH cases: 3.4
  
- 22% Fewer Claims on Average
  
- Average pendency reduction
  - PPH cases advanced on examiner's docket
    - Average ~3 months from request to First Action
  - 1.7 fewer actions per disposal

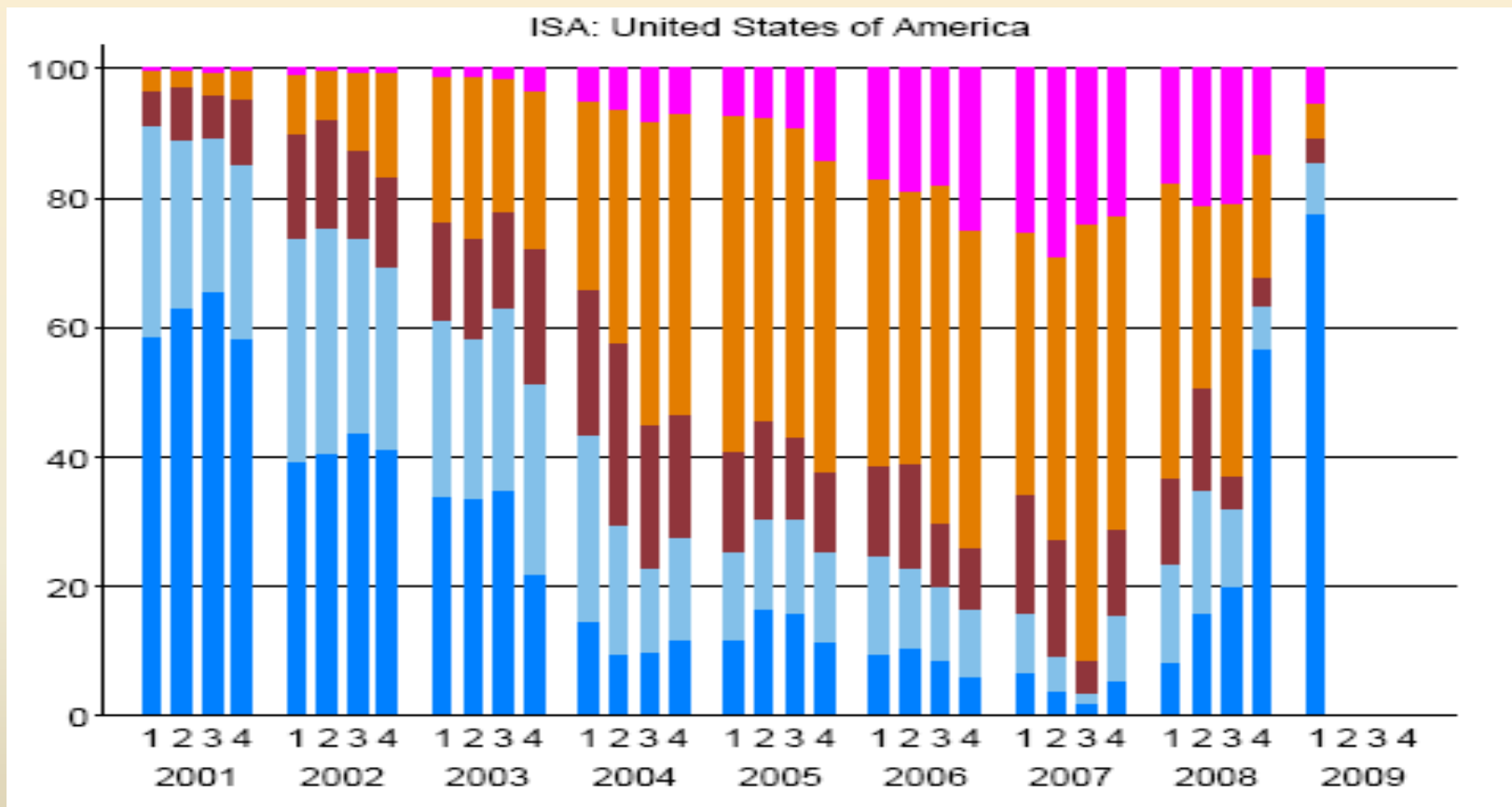


# PCT

- PCT is a vehicle for WorkSharing Programs
- Timeliness of USPTO PCT Search Reports
  - 75% under 16 months and 85% under 18 months for Calendar '09



# PCT Timeliness at USPTO



# IP5 Foundation Projects

## **Search Strategy**

Documented Search Strategy Approach  
USPTO

## **Search & Exam Tools**

Common Search & Exam Environment  
USPTO

## **Common Documentation**

Common Prior Art Data Set  
EPO

## **Common Classification**

Shared Approach to Patent Classification  
EPO

## **Training Policy**

Standardized Examiner Training  
KIPO

## **Machine Translation**

Mutual Access to Translated Information  
KIPO

## **One Portal Dossier**

One-Stop Access to Dossier Information  
JPO

## **Common Application Format**

Common Electronic Filing Format  
JPO

## **Common Rules & QC**

Common Rules for Examination & Quality  
SIPO

## **Common Statistics**

Common Statistical Parameters  
SIPO

**Systems Harmonization: Applications, databases, examination tools, policies, performance measures**



# Systems Harmonization IP5 Foundation Projects

- Common Approach to Sharing and Documenting Search Strategies— a means to enable examiners to document the approach and strategy associated with a search of a patent application so that it can be replicated and shared between the offices
- Common Search and Examination Support Tools- a common search and examination environment so each office has the ability to produce and reproduce equivalent search results
- Common Documentation – an extensive set of existing prior art sources enabling each office to search the same documentation
- Common Classification – incorporates and improves upon the best of each Office’s current system, facilitating efficient, high-quality searching of all documents



# IP5 Foundation Projects

- Common Training Policy - standardize training policies and tools so that patent examiners at each of the Offices approach examination from a common knowledge base
- Mutual Machine Translation - overcome language barriers among the Offices and allow greater access to each office's patent information
- One Portal Dossier- a tool enabling examiners to access the dossier information of each of the IP5 Offices using a single interface
- Common Application Format – a standard application format recognized by all offices to facilitate efficient filing procedures



# IP5 Foundation Projects

- Common Rules for Examination and Quality Control - enable the Offices to conduct patent examinations under common rules which will provide uniform information to applicants, streamline formality for applicants, and exercise patent examination based on a standard level of quality
- Common Statistical Parameter System for Examination- establish a system of common performance measures for examination at the Offices



# SHARE

## □ Basic Principle

- Office of First Filing (OFF) will advance application out of turn for examination
- Corresponding applications in Offices of Second Filing (OSF) will postpone application examination until OFF finishes examination

## □ Purpose

- Avoid Duplication of Work
- Expedite Examination / Improve Quality in the All International IP Offices





# Contact Information

**John Doll**

**Email: [johnjdoll@comcast.net](mailto:johnjdoll@comcast.net)**

**Phone: 410 535 3508**

