From: Gaudry, Kate [email redacted]
Sent: Wednesday, May 06, 2015 2:42 PM
To: WorldClassPatentQuality
Cc: Franklin, Thomas; Lezak, Angel; Gianola, Adam; Almon, Rich; Kitces, Matt
Subject: Patent-Quality Comment: Proposal 5

To Whom It May Concern:

Thank you for accepting comments as part of your Quality Initiative. Please see the attached comment. This particular comment corresponds to Proposal 5 (Review of the Current Compact Prosecution Model and the Effect on Quality). Please let me know if you have any questions.

Best,
Kate Gaudry

Kate Gaudry
Kilpatrick Townsend & Stockton LLP
Suite 900 | 607 14th Street, NW | Washington, DC 20005-2018
office 202 481 9926 | fax 202 508 5858
[email redacted] | My Profile | vCard

"Final" versus "Non-Final" Office-Action Designations: Roadblocks to Compact Prosecution

The following comments are attributable only to the undersigned author and indicated supporters, and do not represent the opinions or beliefs of any other individuals, companies, or organizations.

The patent office, applicants and the public have a shared interest in promoting compact prosecution. Quickly and efficiently arriving at a final disposition (allowed or abandoned) would reduce the PTO's backlog and allow applicants and the public to identify the scope of protection. Currently, PTO rules (though no statutes) specify that office actions are to be characterized as "final" or "non-final". It is our position that this practice hinders compact prosecution.

Specifically, compact prosecution is facilitated by a cooperative interaction between an examiner and applicant. Compact prosecution requires an applicant to recognize when an examiner has set forth a valid rejection and respond accordingly – by amending the claims (or abandoning the application). Additionally, compact prosecution requires an examiner to withdraw a rejection when an applicant presents a strong argument about why the rejection is erroneous. The final/non-final system discourages each of these cooperative actions.

Final/Non-Final System Discourages Withdrawal of Prior-Art Rejections

Examiners' count system (used to evaluate their productivity) is structured so as to provide:

1.25 counts for a first office action (issued prior to any RCE filing);
0.25 counts for any final office action;
1 count for a first office issued after a first RCE filing;
0.75 counts for a first office issued after a second or subsequent RCE filing;
0.5 counts for an allowance or abandonment; and
0 counts for a non-final office action that was not a first action after filing of the application or filing of an RCE.

Issuing a second-action final office action thus provides multiple benefits to the examiner. First, the action itself results in 0.25 counts, versus the 0 that would be received for a non-final action. Further, it pushes the applicant towards filing an RCE, which would allow the examiner to receive an additional 1 count for a next action.

A second or subsequent office action can be characterized as final so long as it does not include a new ground of rejection that is neither necessitated by an amendment of the claims nor based on an IDS filed in accordance with 37 CFR 1.97(c).[1] Thus, the count system offers an incentive for standing by old rejections.

[1] MPEP 706.07(A).

Final/Non-Final System Discourages Amendments

First, applicants cannot, as a matter of right, amend any finally rejected claim. The examiner can, upon receiving an amendment, refuse to enter the amendment by indicating that it would raise new issues and require further consideration and/or support. The applicant is then required to pay an RCE fee for the amendment to be entered. If amendments are minor enough not to "raise new issues" that would require further consideration, the examiner is expected to enter and consider them without requiring the applicant to pay the RCE fee. Thus, applicants are provided with a disincentive for amending their claims as drastically as may be appropriate.

Second, as noted in the previous section, applicant amendments in a response to a first office action can provide a basis for an examiner to characterize a next office action as final – even if it includes new grounds of rejections. Thus, while there may be some reason to amend claims to, for example, clarify a limitation, applicants may hesitate to submit such amendment for fear that the next action will be final. As noted, such a designation is accompanied by limited amendment possibilities and a reasonable likelihood of needing to respond with an RCE fee payment, such that any amendments are entered.

Finally, an initial and 2.0 version of an After-Final Consideration Program has been offered by the PTO. The program provides the examiner with limited extra time to consider submitted amendments. However, applicants must certify that the response includes "an amendment to at least one independent claim, and the amendment does not broaden the scope of the independent claim in any aspect." This requirement may again discourage submission of amendments, such as clarifying amendments or amendments where it is reasonable to delete one or more limitations, when the applicant is hoping that the examiner will quickly and/or for no additional charge consider new amendments.

Our Position

We strongly support the proposal to modify the current examination protocol. Particularly, we support ceasing the characterization of office actions as final or non-final. All office actions would be non-final, and applicants would be free to amend the claims in response to any action. Requests for continued examination would no longer be used.

We support implementation of an escalating fee structure. Applicants would be required to submit a fee with each response (potentially allowing one or two initial responses to be filed without a fee, presumably paid for in advance by the Examination fee), and the fee would increase with each response. We believe that this increasing fee structure would deter endless prosecution.

The proposed change to the examination protocol would need to be accompanied by a modification to the count system. Currently, examiners are awarded counts for final office actions and actions following RCEs, each of which would be eliminated in the proposed new structure. We propose revising the count system to provide a gradual reduction in the counts awarded per office-action issuance until a bottom limit is reached. For example, 1.0 count could be awarded for a first action, 0.75 count for a second, 0.5 for a third, 0.25 for a fourth and 0 for any subsequent action. A single count (1.0) could be awarded for an allowance or abandonment.

This type of structure would also motivate examiners to expediently work to achieving compact prosecution.

Our proposed model would encourage applicants to amend their claims as appropriate and encourage examiners to focus on issuing quality rejections. These new incentives will promote compact prosecution by reducing office-action counts and application pendency.

Thank you for your consideration.

Author:	Kate S. Gaudry
Proposal also supported by:	Matthew Kitces
	Richard Almon
	Angel Lezak
	Adam J. Gianola
	Thomas Franklin