Patent Law Update: USPTO Prioritized Examination”

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USPTO Prioritized (Track I) Examination under the America Invents Act

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Effective as of Sept. 26, 2011, the USPTO is accepting requests for prioritized examination that accompany any original utility or plant application filing. The Track I prioritized examination program’s goal is to, on average, reach a final disposition (i.e., final rejection, notice of allowance, RCE filing, notice of appeal filing, etc.) within approximately twelve months of granting Track I status to an eligible original patent application. Original patent applications eligible for Track I prioritized examination include new and continuing applications, such as continuation, divisional, and continuation-in-part applications. Reissue applications, reexamination proceedings, design applications, international applications entering the U.S. national stage under 35 U.S.C. 371, and provisional applications are not eligible for Track I examination at this time. SeeChanges To Implement the Prioritized Examination Track (Track I) of the Enhanced Examination Timing Control Procedures Under the Leahy-Smith America Invents Act, 76 Fed. Reg. 59050, Sept. 23, 2011.

To be eligible for Track I examination, the application filing must be complete, including all executed declarations and all fees. The prioritized examination request fee and processing fee are hefty, being set at $4,930 for large entities and $2,465 for small entities. See 37 C.F.R. 1.17(c) and (i). Other standard filing fees continue to apply.

Also, the filing must include no more than four independent claims, no more than 30 total claims, and no multiple dependent claims; amending the claims during Track I examination in violation of this requirement results in termination of Track I examination. In addition, Applicants may not request an extension of time for replies, or else face termination of Track I examination. While termination of Track I examination does not result in abandonment of the application filing, priority examination is lost.

Most notably, prioritized Track I examination does not require many of the steps necessary in the USPTO's procedure for petitioning to make special an application for acceleration examination. In that accelerated examination procedure, Applicants were required to conduct a pre-examination prior art search and submit a detailed explanation comparing the prior art to the claims. In addition, that procedure limited applications to three independent claims and 20 total claims. Many applicants were hesitant to pursue expedited examination for these reasons. Prioritized Track I examination does not require a pre-examination search and detailed explanation of the prior art.

Applicants are encouraged to use Form PTO/SB/424 at the time of application filing to request Track I examination.

Time is of the Essence

Time is of the essence because the USPTO is limiting Track I examination filings to a maximum of ten thousand applications per fiscal year. Applicants are encouraged to file as soon as possible. Coincidentally, the USPTO's fiscal year ends Sept. 30, 2011. With the start of the 2012 fiscal year, the ten thousand requests per fiscal year limit would be reset. Applicants unable to file now may still file on or soon after Oct. 1, 2011.

Applicants Desiring Patents with More Than 30 Total Claims

Those hesitant to pursue Track I prioritized examination because of the provision limiting the number of claims should not be discouraged. After Track I prioritized examination concludes upon mailing of a notice of allowance (or other final disposition, such as a final rejection), Applicants may then submit an after-allowance claim amendment to add, at the Examiner's discretion, more than the 4 independent claims and 30 total claims limit. Alternatively, Applicants may then file a request for continued examination (RCE) with more than the maximum number of claim permitted under the new provision. In short, Track I examination is a useful tool to expedite prosecution of an initial set of claims that, upon allowance or final rejection, can be expanded if desired to a greater number of claims. See 76 Fed. Reg. at 59051, Sept. 23, 2011.

International Applicants

Although international applications entering the U.S. national stage under 35 U.S.C. 371 are not eligible for Track I examination, an international application may still participate in Track I examination by filing a bypass continuation under 35 U.S.C. 111(a) rather than entering the national stage under 35 U.S.C. 371. International applicants should speak with their U.S. counsel for more information.

Small Business Owners and Startups

The Track I examination program expressly provides for reduced fees for Applicants that qualify under 35 U.S.C. 41(h)(1) as a small entity. In many cases, a small entity may file a utility patent application for prioritized Track I examination for a total of $3,360 in USPTO fees. Moreover, USPTO comments suggest that the $300 publication fee may be refunded in particular circumstances, effectively reducing the cost of Track I examination to a little over $3,000. For a startup or entrepreneur relying on quick patent protection to skyrocket business valuation and secure its competitive advantage, the $3,000 fee seems small in comparison. See 76 Fed. Reg. at 18399, 18402 (USPTO response to comment no. 3 referring to MPEP 1126).

The current prioritized Track I examination program is implemented through section 11(h) of the America Invents Act, and should not be confused with a different, final rule of a similar name published on April 4, 2011. See 76 Fed. Reg. 18399, April 4, 2011. After publishing that final rule, the USPTO postponed implementation due to budgetary constraints, and has now withdrawn it effective Sept. 23, 2011. Nevertheless, the current prioritized Track I examination program acknowledges that comments published through the rulemaking process in the earlier, now withdrawn, rule were considered. See76 Fed. Reg. at 59053. Meanwhile, it seems the original proposed rule for a 3-track examination system has been abandoned at least for the time being.

For more information, see the Federal Register notice – click here.

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