



AIPPI • JAPAN

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————— International Association for the Protection of Intellectual Property of Japan —————

August 20, 2010

The Honorable Commissioner for Patents
U.S. Patent and Trademark Office
United States Department of Commerce
P.O. Box 1450
Alexandria, VA 22313-1450
Attention: Mr. Robert A. Clarke
3trackscomments@uspto.gov

Re: Comments on the proposed “Enhanced Examination Timing Control Initiative” in Federal Register, Vol.75, No.107 (June 4, 2010)

Dear Mr. Commissioner:

The Japanese Group of AIPPI (AIPPI Japan) appreciates the opportunity to offer comments in response to the Notice of the U.S. Patent and Trademark Office (PTO) regarding the “Enhanced Examination Timing Control Initiative.”

AIPPI Japan is the local group in Japan of AIPPI, The International Association for the Protection of Intellectual Property, which has more than 8,000 members worldwide. The Japanese group was founded in 1956 and currently has about 1,100 members (approximately 900 individuals and 200 corporate members). It is the largest national/regional group of AIPPI. Its members include patent attorneys, lawyers and other patent practitioners in private and corporate practice, and in the academic community. AIPPI Japan represents a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property.

AIPPI Japan, as a user organization, deeply appreciates every effort made by the PTO to improve the US patent system. In particular, since The Honorable David J. Kappos has taken the helm at the USPTO, examiners have become more cooperative with applicants. Various policy initiatives toward compact prosecution, such as encouraging use of interviews and revising the count system, have proven to be very helpful. We anticipate these new initiatives eventually leading to reductions in the examination backlog at the PTO, and we have already seen improvements in several aspects, such as a significant increase in the number of patents granted in recent months.

Proposed changes in queuing patent applications

The PTO is considering changes to its practice for queuing applications awaiting examination under the proposed Enhanced Examination Timing Control Initiative. These changes are drastic: two additional tracks for queuing US applications for examination will be created in addition to the current single, normal track, and foreign-priority US applications will not be entered into the queue for examination by the PTO until copies of the first examination report by a national or regional patenting authority of the first-filed application and a response to the report filed by the applicant are submitted to the PTO with English translations.

AIPPI Japan has formed a special committee of patent attorneys and corporate managers to study the Initiative, and the committee wishes to submit for consideration the following comments.

Concerns

AIPPI Japan opposes the proposed Enhanced Examination Timing Control Initiative in the current form, because it will, when implemented, raise a number of difficult problems for applicants residing in countries other than the US under the first-to-invent system the US currently uses, and place those applicants at a considerable disadvantage. We believe that the PTO can reduce the backlog and improve the quality of examination through more moderate and reasonable measures, such as compact prosecution. The PTO should not rely on quick or expedited examination by patenting authorities outside the US in order to improve US prosecution, because if every patenting authority starts taking this minimal approach the overall efficiency of patent prosecution globally will suffer from the user's perspective.

First, it would be disadvantageous and contrary to the Paris Convention and the TRIPS Agreement not to place foreign-priority US applications in the queue for examination by the PTO until copies of the first examination report by a national or regional patenting authority of the first-filed application and a response to the report filed by the applicant are filed along with their English translations.

We believe that the disadvantaged procedural treatment aimed at foreign-priority US applications would violate the above-mentioned provisions of the Paris Convention and TRIPS Agreement.

The last sentence of Article 2 of the Paris Convention states that: "Consequently, they (nationals of any country of the Union) shall have the same protection as the latter (nationals), and the same legal remedy against any infringement of their rights, provided that the conditions and formalities imposed upon the national are complied with" (explanatory material in parentheses added). The first sentence of Paragraph 1, Article 3 (National Treatment) of the TRIPS Agreement stipulates that: "Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection (3) of intellectual property, subject to the

exceptions already provided in, respectively, the Paris Convention (1967), the Berne Convention (1971), the Rome Convention or the Treaty on Intellectual Property in Respect of Integrated Circuits.” Furthermore, Paragraph 1, Article 62 of the TRIPS Agreement provides that: “Members may require, as a condition of the acquisition or maintenance of the intellectual property rights provided for under Sections 2 through 6 of Part II, compliance with reasonable procedures and formalities. *Such procedures and formalities shall be consistent with the provisions of this Agreement*” (italics added).

In addition, extensions of patent term under the US patent term adjustment scheme will depend on examination delays that occur at a patent granting authority outside the US, and that would be a violation of Article 4^{bis} of the Paris Convention, which stipulates that: “(1) Patents applied for in the various countries of the Union by nationals of countries of the Union shall be independent of patents obtained for the same invention in other countries, whether members of the Union or not. (2) The foregoing provision is to be understood in an unrestricted sense, in particular, in the sense that patents applied for during the period of priority are independent, both as regards the grounds for nullity and forfeiture, and *as regards their normal duration*” (italics added).

Second, such disadvantageous treatment of foreign-priority US applications would place greater financial burden on applicants who reside outside the US. Delays in examination would result in higher costs for prosecuting US applications because more information disclosure statements would have to be filed. In attempts to avoid such delays, if the applicants try to file their patent applications in the US first, that would also increase costs because in some countries it is necessary to obtain special permission to file patent applications abroad, and earlier translation costs would also be disadvantageous to the applicants. Under the proposed initiative, serious users of the patent systems who consider US patents important would face a strong bias toward filing US applications first, and this would limit the applicants’ freedom in choosing the country for first filing.

Third, the Enhanced Examination Timing Control Initiative contains certain more fundamental problems that originate from the first-to-invent system that the US still uses. Under the current US first-to-invent system, “A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an issued patent may not be made in any application unless such a claim is made prior to one year from the date on which the patent was granted” (35 U.S.C. 135(b) (1)). This so-called one-year rule for interferences gives patents granted earlier under Track I unfair advantages and place foreign-priority US applications suffering from forced examination delays at a considerable disadvantage. This would result in an increase in the number of overlapping patents, and make licensing more difficult because a licensee may have to take two or more licenses for the same subject matter. Certain jurisdictions do have expedited examination and deferred examination, but they adopt the first-to-file principle. As long as the US adheres to the first-to-invent principle, it would be difficult to justify expedited examination (Track I) even if a substantial fee were involved. Regarding Track III, we believe that delayed examination would require the modification of the one-year rule for interferences, and this would further complicate already complex examination procedures.

Desirable modifications

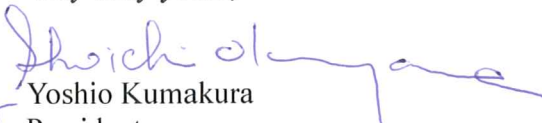
Although we oppose the proposed Enhanced Examination Timing Control Initiative, certain measures may mitigate some of the problems.

First, the choice of Track I should be made available to foreign-priority US applications at any time without waiting for the submission of the examination report and a response thereto. It should be noted, however, that this modification would not solve the fundamental problems discussed in connection with interferences.

Second, it should be possible for a third party to request the start of examination for applications waiting for examination under Track III.

We appreciate the opportunity to submit these comments in response to the Notice, and would be pleased to answer any questions that our comments may raise.

Very truly yours,


for Yoshio Kumakura
President
The Japanese Group of AIPPI