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A review of developments in Intellectual Property Law

Patentable Subject Matter after *Alice*: Best Practices for Responding to 35 U.S.C. § 101 Rejections

By Michael S. Borella, Ph.D.

It has been over 20 months since the Supreme Court handed down the landmark decision in *Alice Corp. v. CLS Bank Int'l*, effectively limiting the scope of patent-eligible subject matter.[1] In particular, software and business method patents and applications now receive a higher level of scrutiny under *Alice* than had previously been the case.

In *Alice*, the Court set forth a two-prong test for patent-eligibility. One must first determine whether the claim at hand is directed to a law of nature, a natural phenomenon, or an abstract idea (collectively, the judicial exceptions).[2] If so, then one must further determine whether any element, or combination of elements, in the claim is sufficient to ensure that the claim amounts to something significantly more than a judicial exception.[3] Notably, generic computer implementation of an otherwise abstract process does not qualify as something "significantly more."[4]

The impact of this decision cannot be underestimated - post *Alice*, approximately 70% of all patents challenged under 35 U.S.C. § 101 have been invalidated in district courts, while the rate of § 101 rejections has exceeded 80% in some of the USPTO's art units where it was previously below 40%.[5] As a consequence, patentees have become increasingly concerned about whether key patents in their portfolios might be subject to an *Alice* challenge in litigation, as well as whether their new technologies are protectable.

Nonetheless, there are a few bright points with respect to how one can navigate the § 101 waters post-*Alice*. Best practices are emerging for prosecuting software and business method inventions under this new regime. Many of these are based on case law, and on guidance provided by the USPTO in December 2014,[6] as well as January[7] and July[8] of last year.

When an applicant receives an Office action containing § 101 rejections, the natural response may be one of confusion or frustration. This is not surprising because the patent-eligibility landscape is anything but clear.[9] Nonetheless, it pays to analyze the rejected claims, their specification, the Office action, recent § 101 cases, and the USPTO's guidance. Doing so, and applying the techniques below, can help you find a pathway to allowance.

Interview the Examiner

It almost goes without saying that interviewing examiners about rejections is usually productive. This advice applies double to § 101 rejections. Like patent practitioners and judges, examiners are struggling with understanding the nuances of patentable subject matter. As such, individual examiners, as well as different art units, may have varying views on how the *Alice* test should be applied. For instance, one examiner indicated that any sort of processing on a general-purpose computer held no patentable weight, while another stated that

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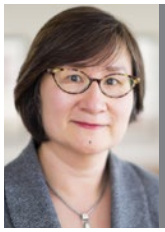

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their art unit decided that transmitting a bitstream from one device to another did not establish patent-eligibility unless the recipient did something "non-trivial" with the bitstream. Yet another examiner suggested that adding "processor" and "memory" elements to a claim would render the claim patent-eligible despite the Supreme Court's view on generic computer components.

Nonetheless, examiners can be swayed by the reasoning in Federal Circuit and Patent Trial and Appeal Board (PTAB) decisions. Unfortunately, there is only one post-*Alice* Federal Circuit case in which claims survived a § 101 challenge,[10] and the PTAB has not been a paragon of consistency with respect to patent-eligibility.[11] It may instead be beneficial to focus on similarities between the claims at hand and the examples provided in the USPTO's Interim Guidance, Abstract Ideas Examples, and July Update.

The goal of an interview over § 101 rejections should be to understand the examiner's specific concerns (which might not be apparent in the Office action) and to suggest one or more approaches that could be used to overcome the rejections. In some cases, relatively minor claim amendments and/or fairly concise arguments may be enough to convince the examiner to withdraw the rejections.[12]

Rebut the *Prima Facie* Case

The July Update states that "the initial burden is on the examiner to explain why a claim or claims are unpatentable clearly and specifically, so that applicant has sufficient notice and is able to effectively respond."[13] This burden can be met "by providing a reasoned rationale that identifies the judicial exception recited in the claim and why it is considered an exception, and that identifies the additional elements in the claim (if any) and explains why they do not amount to significantly more than the exception."[14] Notably, the Interim Guidance requires that, when applying the first prong of the § 101 analysis, examiners must "determine whether the claim *as a whole* is directed to a judicial exception."[15] Further, when applying the second prong of this analysis, examiners must consider whether claim elements "both individually and *as an ordered combination* are sufficient to ensure that the claim as a whole amounts to significantly more than the exception itself."[16] Often, § 101 rejections do not meet these requirements.

Many such rejections are conclusory. For instance, one rejection recently received by an applicant merely consisted of the following text:

> Claims 1-20 are directed to [alleged abstract idea]. However, this is a mathematical procedure for converting one form of numerical representation to another and is thus an abstract idea. Furthermore, the claims do not include additional elements that are sufficient to amount to significantly more than the abstract idea itself.

In this rejection, there is no evidence that the examiner considered the claim as a whole when applying prong one, and there is also no evidence that the examiner considered the recited ordered combination of elements when applying prong two. As such, the applicant should rebut the rejection for failing to meet the examiner's burden under § 101 as elucidated by the USPTO itself.

Such a rebuttal may be unlikely to win the day unless it is accompanied by arguments that address the substance of the claimed invention. In most cases, the rebuttal will prompt the examiner to provide a better, non-conclusory rejection, which still makes it a useful exercise.

(When to and When not to) Argue Prong One

As noted above, the first prong of the *Alice* test is used to determine when the claim is directed to a judicial exception to patentable subject matter. While it may be tempting to argue prong one in each and every response to a § 101 rejection, doing so will not be productive in some situations. For instance, when the claim involves mathematical calculations and/or financial aspects, it may be more efficient to focus your arguments on prong two.

On the other hand, the USPTO has recognized that certain types of inventions are inherently patent-eligible despite incorporating a judicial exception. In the Interim Guidance, the USPTO states that inventions clearly not seeking to "tie up any judicial exception such that others cannot practice it," pass muster under § 101, and the two-prong analysis need not even be applied.[17] A particular example thereof is "a robotic arm assembly having a control system that operates using certain mathematical relationships."[18] According to the USPTO, this "is clearly not an attempt to tie up use of the mathematical relationships and would not require a full analysis to determine eligibility."[19] An analogy that can be made between this example and the claims at hand may go a long way in convincing the examiner that that claims are patent-eligible.

In its Abstract Ideas Examples, the USPTO indicated that a claim "directed towards physically isolating a received communication on a memory sector and extracting malicious code from that communication to create a sanitized communication in a new data file" is not abstract.[20] Instead, the claimed "isolation and eradication of computer viruses, worms, and other malicious code, [is] a concept inextricably tied to computer technology and distinct from the types of concepts found by the courts to be abstract."[21] Since the example claim focuses on scanning the communication byte-by-byte, similar reasoning could be used to argue that claims directed to data compression or encryption are non-abstract as well.

Regardless, when arguing prong one, it is important to remind the examiner that the claim must be considered as a whole. Doing so may limit the examiner's ability to view each element independently, and thus ignore certain elements when identifying any alleged judicial exception contained therein.

Argue Prong Two

Most § 101 arguments will be won or lost on prong two. Here, the applicant has numerous tools for establishing that its claim recites statutory subject matter.

Still, given the vagueness of both prongs of *Alice*, patent-eligibility often comes down to whether the claims at hand are more or less similar to other claims that have previously been found to be patent-eligible or patent-ineligible by the courts or the USPTO. For instance, for any claim reciting a financial transaction on a general purpose computer, it will be difficult to convince the examiner that the claim is not too abstract for patenting due to the claim's high-level similarity with those of *Alice* and *Bilski v. Kappos*.[22]

On the other hand, there are claims that have been found patent-eligible in case law, as well as example claims deemed patent-eligible by the USPTO. Applicants should know these cases and examples, and be prepared to liken their claims to the claims thereof.

In *Alice*, the Supreme Court wrote that

claimed improvements to a computer itself or to another other technology or technical field could provide the required something significantly more than a recited judicial exception.[23] But, the only two examples from case law in which the Supreme Court or Federal Circuit found that a claim recites "significantly more" are *Diamond v. Diehr*[24] and *DDR Holdings*,[25] respectively.

In the former, the claims recited a rubber mold being controlled according to a mathematical equation, but also required constant measurement of temperature of the mold cavity, recalculation of the appropriate cure time using the constantly updated measurements, and opening the mold when the rubber was deemed to be cured.[26] This, according to the justices, provided significantly more than mere calculation of the equation–namely, an improvement to an existing technological process.[27]

In the latter, the claims were directed to creating a composite web site by changing how hyperlinking operates. Visitors clicking on certain links are served "an automatically-generated hybrid web page that combines visual 'look and feel' elements from [a] host website and product information from [a] third-party merchant's website related to the clicked advertisement."[28] While related to advertising, which has been deemed abstract by the courts, the Federal Circuit found these claims to be patent-eligible because "the claimed solution is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks."[29]

Applicants might be tempted to make an analogy between any software or business method claim and those of *Diehr* or *DDR*. But in some cases, this would be a mistake. Many modern software inventions lack the physicality of *Diehr*. Further, some examiners have been viewing *DDR* as being virtually limited to its holding. As a consequence, these individuals are reluctant to view improvements to problems related to computers in general, rather than problems related to *computer networks*, as falling under the *DDR* rubric. Citing *Ultramercial v. Hulu*, the Federal Circuit wrote that "not all claims purporting to address Internet-centric challenges are patent-eligible for patent,"[30] and examiners seem to be taking this statement to heart.

As an alternative to the case law, the USPTO has been helpful in fleshing out categories of patent-eligible inventions with specific examples in its Interim Guidance, Abstract Ideas Examples, and July Update.

For instance, according to the USPTO, a claim directed to transmitting stock quote information from a server device to a client device, where the transmission activates a stock viewer application to retrieve further information from a data source, is patent-eligible.[31] Like *DDR*, this claim addresses an Internet-centric solution and goes beyond merely linking use of an abstract idea to the Internet.[32] This example claim can also be used as a blueprint for claiming other types of client / server transactions where one device causes the other to carry out a task that goes beyond mere processing.

In another example, a claim recites dynamically adjusting the layout of a graphical user interface (GUI), such that textual information in one window that is obscured by another window is automatically moved to a non-obscured location in its window.[33] Despite any mathematical operations that could be used to facilitate this invention, the claim is patent-eligible because it addresses "a specific application . . . that improves the functioning of the basic display function of the computer itself."[34]

As a warning, applicants must remember than the USPTO's guidance may have little weight in a reviewing court. Thus, while one might be able to rely on the USPTO's examples of patent-eligible claims to shepherd claims toward allowance, those allowed claims could potentially be rendered invalid in litigation. Until the Federal Circuit weighs in on more § 101 cases, the viability of these example claims are in question. Nonetheless, they appear to be sound in view of the case law, and applicants should keep them in mind when drafting or amending claims.

Argue Non-Preemption

Regarding the judicial narrowing of § 101, the Supreme Court explained that "the concern that drives this exclusionary principle [is] one of pre-emption."[35] Particularly, monopolization of the basic tools of scientific and technological work would impede innovation more than it would tend to promote it.[36] Thus, the exceptions to § 101 are driven by "concern that patent law not inhibit further discovery by improperly tying up the future use of these building blocks of human ingenuity."[37]

In the *July Update*, the USPTO indicated that, in its view, the two prong process of *Alice* inherently includes a preemption analysis.[38] Particularly, that prong two separates out inventions that preempt the fundamental building blocks of knowledge from those that do not.[39]

Like rebutting the *prima facie* case, asserting the non-preempting nature of rejected claims can be helpful, but is unlikely to be the winning argument by itself. Every claim preempts something – the issue is whether a claim preempts a judicial exception rather than an application thereof. For example, the claims found patent-ineligible in *Ultramercial* were quite narrow, but according to the Federal Circuit, too conventional to be anything less than abstract.[40] Similarly, the USPTO has warned that "the absence of complete preemption does not guarantee that a claim is patent-eligible."[41]

When arguing non-preemption, it can be helpful to refer back to the examiner's characterization of the judicial exception contained in the claim, especially if this characterization is very high-level. For instance, if the examiner states that a claim for setting up a telephony call in a network is directed to the abstract concept of client / server communication, the applicant can point out a few examples of client server communications that the claim would not preempt. In describing what the claim does not cover, however, care must be taken to avoid introducing file wrapper estoppel.

Ultimately, non-preemption is another tool in the applicant's toolbox, and should be used judiciously to augment more substantive arguments.

Conclusion

As time goes on, we expect that the contours of patentable subject matter will be more clearly defined. Today, we are seeing the beginnings of such clarity by way of case law and USPTO guidance. The examples discussed herein provide some ways in which software or business methods can be claimed in order to avoid or overcome a § 101 rejection. Clearly, these techniques might not work for all claims, and other techniques may exist. For now, this area of the law remains a moving target, and best practices are still evolving.

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Federal Defend Trade Secrets Act Progresses in Congress

By Joshua R. Rich

The Defend Trade Secrets Act of 2015,[1] a bill to establish a federal cause of action for trade secret misappropriation, has continued its progress through Congress with a favorable hearing before the Senate Judiciary Committee on December 2, 2015, that led to unanimous committee approval of an amended version on January 28, 2016. The bill was originally introduced in identical form in both the House and the Senate, and enjoys bipartisan sponsorship and support in both bodies. Indeed, both Republican and Democratic senators and the majority of witnesses at the hearing voiced unabashed support for the bill. Thus, despite the legislative logjam created by the impending election, and the failure to pass a similar bill during the last term of Congress, there is a significant probability that the bill will pass into law.

As discussed in the Fall 2014 snippets article, "Anticipating a Federal Trade Secret Law," unlike patents, trademarks, and copyrights, there is currently no federal protection for trade secrets. Instead, trade secret owners can gain access to the federal court system only if there is diversity or supplemental jurisdiction. That jurisdictional hurdle can prevent or complicate interstate and international enforcement of trade secret rights. Furthermore, although 47 states have enacted some form of the Uniform Trade Secrets Act ("UTSA"), the various states' enactments and interpretations of the act has not been uniform. In addition, the economically important states of New York and Massachusetts are among those that have not enacted the UTSA. Thus, many companies and legislators have seen a need for a bill like the one before Congress.

The provisions of the current bill were written against the backdrop of the UTSA. Under the UTSA, a cause of action for trade secret misappropriation exists when a party or individual acquires trade secrets from the rightful owner by improper means or has threatened their disclosure. A "trade secret" is defined in the UTSA as any information that derives potential or actual economic value from not being generally known to other persons who can benefit economically from its use, is not readily ascertainable by other persons who can benefit economically from its use through proper means, and is the subject of reasonable efforts to maintain its secrecy.[2] A trade secret is "misappropriated" when a person acquires a trade secret with the knowledge (or reason to know) that the trade secret was obtained by improper means, or discloses a trade secret that was obtained by improper means, derived from a person who obtained it by improper means, or obtained under terms of confidentiality.[3] In addition, a person may misappropriate a trade secret if it discloses or uses a trade secret after learning that the trade secret was revealed by accident or mistake. In that context, "improper means" includes theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage through electronic or other means.[4]

Remedies available under the UTSA include damages, injunctive relief against actual or threatened misappropriation, and attorneys' fees. The damages can include actual loss incurred by the trade secret owner as well as disgorgement of unjust enrichment by the misappropriating party or, alternatively, a reasonable royalty for the unauthorized disclosure or use of the trade secret. In the case of willful and malicious misappropriation, damages can be enhanced up to twice the amount of actual damages awarded. Attorneys' fees can also be awarded for willful and malicious misappropriation, but are also available for a claim brought in bad faith or the bad faith bringing of or opposition to a motion to terminate an injunction. To obtain recovery under the UTSA, however, any claim must be brought within three years after the claim was, or could have been, discovered.

The current bill creates a federal civil action for the owner of a trade secret who is "aggrieved by a misappropriation of a trade secret that is related to a product or service used in, or intended for use in, interstate or foreign commerce." In that context, the terms "trade secret" and "misappropriation" are intended to have the same basic definitions as the definitions that apply under the UTSA. As under the UTSA, the bill allows recovery of damages for actual loss and unjust enrichment (so long as there is no double recovery) or, instead, a reasonable royalty. If the misappropriation is willful and malicious, the bills (like the UTSA) allow for the recovery of enhanced damages, although (unlike the UTSA) the damages may be trebled, not just doubled. Attorneys' fees are available under the same terms they are available under the UTSA. Importantly, the statute of limitations under the bills is five years, not the three years under the UTSA.

However, there are several critical differences between the procedures and remedies available under the UTSA and the current federal bill. Most importantly, the current bill establishes a procedure for civil seizure. Like the Senate bill proposed during the last term – but unlike the House bill from last term – the bill imports certain standards in the seizure process from the Lanham Trademark Act.[5] In fact, the bill provides significantly more protection to parties from whom a seizure is requested than either bill proposed last term, likely in response to criticism of those bills.

The process for a civil seizure would begin with the filing of an affidavit or verified complaint with an *ex parte* application for the seizure of "property necessary to prevent the propagation or dissemination of the trade secret that is the subject of the action." The trade secret owner would then have to show:

- that a traditional temporary restraining order would not be sufficient because the responding party would evade, avoid, or otherwise fail to comply with such an order;
- that immediate and irreparable harm would occur in the absence of a seizure;
- that the harm of denying the application outweighs the harm to the responding party's legitimate interests;
- that the applicant is likely to succeed on the merits;
- that the responding party has actual possession of the trade secret and the property to be seized;
- that the application describes the matter to be seized with reasonable particularity;

- that the responding party would otherwise destroy, move, hide, or otherwise make the seized material inaccessible; and
- that the applicant has not publicized the requested seizure.

Upon such a showing, a court may order the seizure of property to be taken into the custody of the court. However, the order allowing the seizure would be statutorily required to provide for the narrowest seizure of property necessary to achieve its purpose, and that the seizure would be conducted in a way to minimize the disruption of business, especially for third parties. The trade secret owner would have to post a bond sufficient to compensate for a wrongful seizure, and the court would be required to set a hearing to be held within seven days after the issuance of the order to allow the responding party to contest the seizure. Importantly, if a party suffers damages from a wrongful or excessive seizure, it would be entitled to bring an action to recover for that seizure and, in doing so, would not be limited to the bond posted by the trade secret owner.

At the hearing before the Senate Judiciary Committee, six senators interrogated four witnesses about the provisions of the current bill. Five of the six senators expressed their clear support for the bill – unsurprising because four of the five are sponsors of the Senate version – whereas Senator Sheldon Whitehouse used his time to pose questions to the witnesses for written response. The witnesses included representatives of DuPont (Karen Cochran) and Corning (Tom Beall), both of whom have been aggrieved by critical trade secret thefts, a long-time practitioner (James Pooley), and a professor at Mitchell Hamline School of Law (Sharon Sandeen). Only Professor Sandeen spoke out in opposition to the bill, primarily based on the seizure provisions.

As Professor Sandeen pointed out in her testimony, the seizure order provisions of the bill are most similar to the English *Anton Pillar* order.[6] But unlike an *Anton Pillar* order, there is no prohibition on the use of force to enter a responding party's premises and confiscate property. Further, Professor Sandeen raised questions about how electronically-stored information would be "confiscated," especially when held in the cloud or on a third-party server. And finally, she expressed her concerns that the seizure provisions would be used to oppress smaller competitors and departing employees, who would be unable to afford to litigate the seizures or, potentially, to remain in business after a seizure.

After the hearing, the bill was amended to address some of the concerns and questions voiced by Senator Whitehouse (and Professor Sandeen). Greater protections were added for responding parties and protection was put in place for whistleblowers. With these changes, the Senate Judiciary Committee unanimously reported the bill to the full Senate. Because the bill now has 44 bipartisan cosponsors, it will likely receive favorable treatment on the Senate floor. At that point, the parallel House bill will be considered by the House Committee on the Judiciary, where it has been referred to the Subcommittee on Courts, Intellectual Property, and the Internet. Eventually, however, the bill is likely to make its way through Congress, and then become law. At that point, trade secret owners will have another weapon in their arsenal to protect their intellectual property rights, and another choice of the procedures with which to do it.

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Endnotes

1 S. 1890, 114th Cong. (2015); H.R. 3326, 114th Cong. (2015).
2 Unif. Trade Secrets Act § 1(4) (1985).
3 *Id.* § 1(2).
4 *Id.* § 1(1).
5 15 U.S.C. § 1116 (2012).
6 So named because it was first entered in *Anton Pillar K.G. v. Mfg. Processes Ltd.*, 1975 EWCA Civ 12, 1976 1 All ER 779 (Dec. 8, 1975).

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Endnotes

1 134 S. Ct. 2347, 2354 (2014).
2 *Id.* at 2355.
3 *Id.*
4 *Id.* at 2358.
5 *See* http://www.bilskiblog.com/blog/2015/11/alicestorm-for-halloween-its-scary-out-there-.html; http://www.bilskiblog.com/blog/2015/06/alicestorm-a-deeper-dive-into-court-trends-and-new-data-on-alice-inside-the-uspto.html;http://www.bilskiblog.com/.a/6a011570f4033a970c01bb084b6c5b970d-pi.
6 2014 Interim Guidance on Patent Subject Matter Eligibility, 79 Fed. Reg. 74618 (Dec. 16, 2014) [hereinafter, Interim Guidance].
7 U.S. Patent and Trademark Office, *Examples: Abstract Ideas* [hereinafter, Abstract Ideas Examples], http://www.uspto.gov/patents/law/exam/abstract_idea_examples.pdf.
8 U.S. Patent and Trademark Office, *July 2015 Update: Subject Matter Eligibility* [hereinafter, July Update], http://www.uspto.gov/sites/default/files/documents/ieg-july-2015-update.pdf.
9 *See, e.g., McRO, Inc. v. Naughty Dog, Inc.*, 49 F.Supp.3d 669, 675 (C.D. Cal. 2014) (comparing the two-prong Alice test to Justice Stewart's famous "I know it when I see it" test from *Jacobellis v. State of Ohio*); *Cal. Inst. of Tech. v. Hughes Commc'ns Inc.*, 59 F.Supp.3d 974, 980 (C.D. Cal. 2014) (stating that the Supreme Court's patent-eligibility cases "often confuse more than they clarify [and] appear to contradict each other on important issues.").
10 *DDR Holdings LLC. v. Hotels.com L.P.*, 773 F.3d 1245 (Fed. Cir. 2014).
11 *Compare Ex Parte Bruce Gordon Fuller, et al.*, 2015 WL 3467122 (P.T.A.B. May 28, 2015) (finding a claim directed to graphing a curve on a user interface to be patent-eligible) *with Ex Parte Aaron J. Klish*, 2015 WL 4608168 (P.T.A.B. July 29, 2015) (finding a claim directed to building and displaying a user interface is patent-ineligible).
12 This is not to say that all § 101 rejections are easily overcome. Patent-eligibility is highly fact sensitive, and some types of inventions will be more difficult to prosecute than others. For instance, § 101 rejections for inventions directed to financial transactions or calculations performed on a general-purpose computer are particularly challenging to surmount.
13 *July Update*, at 6.
14 *Id.*
15 *Interim Guidance*, at 74622 (emphasis added).
16 *Id.* at 74624 (emphasis added).
17 *Id.* at 74625.
18 *Id.*
19 *Id.*
20 *Abstract Ideas Examples*, at 3.
21 *Id.* Arguably, a similar point could be made to overcome a § 101 rejection during the prong two analysis.
22 561 U.S. 593 (2010).
23 *Alice*, 134 S. Ct. at 2359.
24 450 U.S. 175 (1981).
25 773 F.3d at 1259.
26 *Diehr*, 450 U.S. at 187.
27 *Alice*, 134 S. Ct. at 2358. The fact that the result of this process was cured rubber, a physical object, may have helped the claims seem less abstract.
28 *DDR Holdings*, 773 F.3d at 1257.
29 *Id.*
30 *Id.* at 1258.
31 U.S. Patent and Trademark Office, *July 2015 Update Appendix 1: Examples*, at 4, http://www.uspto.gov/sites/default/files/documents/ieg-july-2015-app1.pdf.
32 *Id.*
33 *Id.* at 7-8.
34 *Id.* at 12.
35 *Alice*, 134 S. Ct. at 2354.
36 *Id.*
37 *Id.*
38 *July Update*, at 8.
39 *Id.*
40 *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 716-17 (Fed. Cir. 2014) (the Court did not explicitly discuss preemption in this decision, but implied that claiming the abstract idea of "advertising as currency" using the Internet effectively was an attempt to monopolize the idea itself).
41 *July Update*, at 8.

The PTAB and the Federal Circuit–One Year Later

By Andrew W. Williams, Ph.D.

February 4, 2016, marked the one-year anniversary of the initial *In re Cuozzo Speed Technologies, LLC*[1] Federal Circuit decision – the first opinion stemming from the first appeal of the first final written decision of the first *inter partes* review ("IPR") ever filed. From the time that decision came out until the end of January 2016, there have been at least 56 appeals from IPRs and Covered Business Method ("CBM") patent reviews resolved by this appeals court. The America Invents Act ("AIA") was responsible for creating these new procedures, and at the time of its passage, few could have expected these procedures to be as successful as they turned out to be. And, because either party dissatisfied with a final written decision in a case has a right to appeal to the Federal Circuit, there has been a concern that the court will be overwhelmed by a deluge of appeals. With an average of one appeal being resolved every week, these concerns appear to be well founded.

Nevertheless, the Federal Circuit has responded with mechanisms to control the impact of this onslaught. First, the court dispensed the majority of these cases with Rule 36 affirmances, thereby avoiding the time necessary to write up even a non-precedential opinion. Of the approximate 56 cases, more than half (33 to be exact) were affirmed in this manner. And, we can expect this percentage to increase, because many of the early cases were ones of first impression that necessitated an opinion. In addition, with respect to many of the cases, the court consolidated more than one appeal into the decision. For example, the 56 appeals through January 2016 represented 85 distinct IPRs or CBM reviews. Finally, the Federal Circuit has only reversed or vacated and remanded (at least in part) approximately five cases, choosing instead to affirm the Patent Trial and Appeal Board's ("the Board" or "the PTAB") decision the vast majority of the time.

The one important take-away from these statistics is that any party involved in a post-grant proceeding before the PTAB should not expect the Federal Circuit to bail them out from an adverse decision. The probability of getting a Rule 36 affirmance is more likely than not, and the chance of getting the appeals court to reverse or vacate and remand is vanishingly thin. Nevertheless, the Supreme Court has granted *certiorari* in the *Cuozzo* case to address a couple of fundamental issues: (1) whether the decision to institute a PTAB trial can be reviewed on appeal, and (2) whether the "broadest reasonable interpretation" standard for claim construction during a PTAB trial is appropriate.

Decisions to Institute

To be fair, the *Cuozzo* case was not the first in which the Federal Circuit interpreted the AIA sections related to PTAB trials or the rules promulgated to implement them. The court issued three cases on April 24, 2014, related to appeals from decisions denying institution.[2] The relevant statutory language can be found at 35 U.S.C. § 314(d): "No Appeal—The determination by the Director whether to institute an *inter partes* review under this section shall be final and nonappealable." The Federal Circuit made clear in those cases that it cannot review the decision by the Board to not institute a trial.

In *Cuozzo*, the Federal Circuit extended this prohibition to decisions ***to*** institute. In that case, the Board had instituted the trial on a ground not specifically identified in the petition. Instead, the Board recombined prior art that was found within the petition to devise its own obviousness challenge. In deciding the case, the Federal Circuit held that the statute barred it from reviewing any institution decision, even when the institution is contrary to the requirements outlined by the statute.[3] Nevertheless, it was significant that the new ground of rejection on which the Board instituted trial ***could*** have been included in a properly filed petition.[4]

Versata Dev. Grp., Inc. v. SAP America, Inc.[5] brought some hope to patent owners. This case arose in the context of a CBM review, which only applies to patents covering financial products or services that do not claim a technological invention. The Federal Circuit in *Versata* reviewed whether the patent at issue was indeed such a CBM patent. In response to criticism by the dissent, the court defended its analysis by pointing to the distinction between institution and invalidation. Because the determination whether the patent at issue was a CBM patent related to the "authority to invalidate" of the Board, review was appropriate.[6] This opened the door for arguing in other cases that decisions made at institution relate to the authority to invalidate, and therefore are subject to review.

So far, however, this distinction has been limited to basic jurisdictional issues in CBM cases. The Federal Circuit appeared to have expanded *Cuozzo* in *Achates Reference Publ'g, Inc. v. Apple Inc*.[7] In that case, Achates (the patent owner) had alleged that the case was time barred, because it had sued QuickOffice (a third party) more than one year before Apple filed its IPR petition. Apple was only subsequently joined to the litigation, such that the case would only have been barred under 35 U.S.C. § 315(b) if QuickOffice was a real-party-in-interest to the petition. However, the Board rejected this allegation when instituting trial, in part because "there was no evidence that any of the codefendants had 'the right to intervene or control Petitioner's defense to any charge of patent infringement'...."[8] On review, the Federal Circuit held that the time bar does not impact the authority to invalidate.[9] Indeed, the court continued, another petitioner could have filed a timely petition to invalidate the patent.[10] Moreover, the Federal Circuit asserted that this case was just like *Cuozzo*, because even if QuickOffice was a real-party-in-interest, the timeliness issue could have been avoided by filing the petition earlier, or if another party had done so (as opposed to no petition being proper regardless of the party filing it, such as in the *Versata* case).[11]

There may be hope for a dissatisfied party, however. It is possible that the Supreme Court will loosen the prohibition on the ability to appeal institution decisions, but it is unclear how far they will go if they do. Barring any change, an aggrieved party wishing to appeal an issue related to institution will need to show how it relates to the Board's authority to invalidate (which is becoming increasingly more difficult to do). Otherwise, as the Federal Circuit mentioned in *Achates* (among other cases), there is likely an exception to the prohibition of review for the most extreme cases where the PTAB exceeds the scope of its delegated authority.[12] This exception for *ultra vires* agency action, however, would only apply to the most egregious error.

Broadest Reasonable Interpretation

The adoption of the broadest reasonable

interpretation ("BRI") standard for claim construction is one of the most controversial aspects of the rules that the Patent Office promulgated in implementing the post-grant proceedings. In *Cuozzo*, the Federal Circuit affirmed the use of the BRI standard as being consistent with the legislative history.[13] There are members of the court that do not agree, however. Judge Newman pointed out in her *Cuozzo* dissent that Congress intended the post-grant proceedings before the PTAB to be a surrogate for district court litigation on validity.[14] She complained that this goal was being frustrated because of the use of two different claim construction standards.[15]

The Patent Office also justified the adoption of the BRI standard because of the ability of the patentee to amend its claims. Judge Newman noted, however, that the ability to amend claims was almost illusory.[16] Even today, with an apparently lowered standard for granting amendment motions, claim amendments still rarely occur.

There has already been some positive signs, however, that the situation might not be as dire as originally feared. In *Microsoft Corp. v. Proxyconn, Inc*.[17], the Federal Circuit reaffirmed *Cuozzo*, holding that it does not constitute error to use the BRI standard for claim construction.[18] Nevertheless, the Court warned that it was error to adopt a construction that is "unreasonable."[19] This can include a construction that is contrary to the arguments made or positions taken during the original prosecution. Moreover, "[a] construction that is 'unreasonably broad' and which does not 'reasonably reflect the plain language and disclosure' will not pass muster."[20] In other words, the construction cannot be divorced from the specification or the record.[21] And, if the Board needs to consider how the patentee and Office used the term during prosecution, it is possible that such a "broadest reasonable interpretation" might not differ significantly from the plain and ordinary meaning used by Federal Courts.

Until the Supreme Court ultimately decides the *Cuozzo* case, however, it would behoove any party involved in a post-grant proceeding at the Board to provide alternative constructions based on the two standards, or better yet to explain why the proffered construction would be correct regardless of the standard used. But, if a dissatisfied party wishes to successfully appeal a claim construction to the Federal Circuit, it should focus on why the Board's construction might be unreasonable, especially if the prosecution history was ignored.

Conclusion

The Federal Circuit has certainly been active this past year hearing appeals from the Board's final written decisions. In addition to the cases referenced above, the Court has approved most of the procedural aspects adopted or used by the Board, including the motion-to-amend practice,[22] whether to allow supplemental evidence,[23] and the exclusion of evidence.[24] The Federal Circuit even upheld the constitutionality of the post-issuance review proceeding,[25] the delegation of institution authority from the director to the Board,[26] and the appropriateness of the same three-judge panel making institution decision as well as rendering the final written decisions.[27] Nevertheless, there are many other issues for the Federal Circuit to determine in the upcoming year and beyond. Stay tuned.

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Endnotes

1 778 F.3d 1271 (Fed. Cir. 2015). The Federal Circuit withdrew this case because it was superseded on rehearing July 8, 2015. The remainder of this article will cite to the opinion from July 8, 2015 (In re Cuozzo Speed Technologies, LLC, 793 F.3d 1268 (Fed. Cir. 2015)).
2 In re Dominion Dealer Solutions, LLC., 749 F.3d 1379 (Fed. Cir. 2014); In re Procter & Gamble Co., 749 F.3d 1376 (Fed. Cir. 2014); St. Jude Med., Cardiology Div., Inc. v. Volcano Corp., 749 F.3d 1373 (Fed. Cir. 2014).
3 *In re Cuozzo*, 793 F.3d at 1273-74.
4 *Id*. at 1274.
5 793 F.3d 1306 (Fed. Cir. 2015)
6 *Id*. at 1320.
7 803 F.3d 652 (Fed. Cir. 2015).
8 *Id*. at 654.
9 *Id*. at 657-58.
10 *Id*. at 657.
11 *Id*. at 657-58.
12 *Id*. at 658-59.
13 *In re Cuozzo*, 793 F.3d at 1277-78.
14 *Id*. at 1285-86 (Newman, J., dissenting).
15 *Id*.; *see also id.* at 1287 ("[W]ords of a claim 'are generally given their ordinary and customary meaning' as understood by a person of ordinary skill in the art in question at the time of the invention.")
16 *Id*. at 1287-88.
17 789 F.3d 1292 (Fed. Cir. 2015)
18 *Id*. at 1297.
19 *Id*. at 1298.
20 *Id*.
21 *See also* Straight Path IP Group, Inc. v. Sipnet EU S.R.O., 806 F.3d 1356, 1362 (Fed. Cir. 2015) ("And the plain meaning is positively confirmed by the prosecution history, which we have indicated is to be consulted even in determining a claim's broadest reasonable interpretation.").
22 *See* Prolitec, Inc. v. ScentAir Technologies, Inc., 807 F.3d 1353 (Fed. Cir. 2015).
23 *See* Redline Detection, LLC v. Star Envirotech, Inc., No. 2015-1047, 2015 WL 9592608 (Fed. Cir. Dec. 31, 2015).
24 *See* Belden Inc. v. Berk-Tek LLC, 610 Fed. Appx. 997 (Fed. Cir. 2015).
25 MCM Portfolio LLC v. Hewlett-Packard Co., No. 2015-1091, 2015 WL 7755665 (Fed. Cir. Dec. 2, 2015).
26 Ethicon Endo-Surgery, Inc. v. Covidien LP, No. 2014-1771, 2106 WL 145576 (Fed. Cir. Jan. 13, 2016).
27 *Id*.

Strategies for Expediting the Patenting Process

By Emily Miao, Ph.D. and Daniel F. Gelwicks

Intellectual property protection, particularly patent protection, is important for many companies, and the ability to speed up the patenting process may be essential for a variety of reasons. For instance, one or more issued patents are often a requirement for many startup companies in order to secure investor funding. Furthermore, for some rapidly evolving technologies, such as software and consumer electronics, the product life cycle may be shorter than the pendency of a patent application. Additionally, many companies may need to know if the invention and/or associated product is even patentable in deciding whether to incur certain specific costs, such as foreign filing abroad. However, the U.S. Patent and Trademark Office (USPTO) ordinarily examines patent applications in the order in which they are filed, under the "first come, first served" principle. The average pendency time from filing to issuance or abandonment is approximately 26 months.[1] For reference purposes, the overall allowance rate is 48.4% thus far for fiscal year 2016.[2] Without applicant intervention, the default pendency time thus leaves much room for improvement. This article discusses the expedited patent examination programs that are available through the USPTO, as well as strategies for selecting the best option to fit an applicant's needs.

The USPTO offers a spectrum of programs that can be used to expedite examination of patent applications, which include Prioritized Examination (PE), Accelerated Examination (AE), the Patent Prosecution Highway (PPH), Petitions to Make Special (PTMS), Full First Action Interviews (FFAI), the After Final Consideration Pilot (AFCP 2.0) program, and the Collaborative Search Pilot (CSP) program.[3] In certain instances, these programs may help to speed up patent examination and reduce overall prosecution costs. However, as discussed in more detail below, each program has requirements and/or limitations that should be considered in deciding which one is best suited to an applicant's needs.

Prioritized Examination (PE)

Also known as "Track One," the PE program allows an applicant to reach a final disposition (allowance or final rejection) of their patent application within one year from the filing date.[4] The average pendency of a PE application is 6.5 months from the date the petition requesting Track One status is granted to the final disposition of the application—a significant reduction from the typical 26-month pendency.[5] According to the Patent Office, it takes about 2.1 months from the grant of the petition to the receipt of a first Office action,[6] and applications filed under the PE program have an allowance rate of around 44%.[7] From our experience, it seems that patent examiners are willing to grant multiple interviews and make examiner's amendments in order to expedite the examination to a final disposition. These efforts can reduce the number of Office actions, which in turn can reduce prosecution costs.

Another advantage of the PE program is that it provides an application special status with fewer requirements compared to the current AE program discussed below. A request for examination under the PE program must accompany the application at the time of filing or can be included with a Request for Continued Examination (RCE).

For fiscal year 2016, the Patent Office fee to file a PE petition for a large entity is $4000, which is in addition to the $140 processing fee and the typical $1600 application filing fees.[8] The application must be filed electronically and must meet all the requirements under 37 CFR 1.51(b) at the time of filing.[9] Furthermore, the application is limited to four or fewer independent claims and 30 or fewer total claims. Multiple dependent claims cannot be present in the application.

The main drawback of the PE program is the upfront filing fees. However, cost savings due to the reduction in subsequent prosecution costs can offset at least a portion of the filing fees.[10] Another issue in the PE program is the USPTO's strict emphasis on prompt responses. Failure to timely reply to an Office action can result in the application being removed from the PE program and placed on the examiner's regular prosecution docket. Moreover, if the applicant amends the claims to include more than four independent claims, more than 30 claims, or any multiple dependent claims, the application's prioritized status will likewise be terminated.[11]

For reasons that will become apparent below, the PE program is now the most popular option used by applicants to accelerate the examination of their applications. It is also particularly useful for applicants that are willing to pursue relatively narrow claims designed to protect a specific product or process.

Accelerated Examination (AE)

Like the PE program, the AE program also allows an applicant to reach a final disposition (allowance or final rejection) within one year from the filing date.[12] The average pendency time of an AE application is 9.26 months from the date the petition is granted to the final disposition of the application.[13] Applications filed under the AE program have an allowance rate of around 64%. [14] However, unlike PE, there are a number of burdensome requirements associated with the AE program.

As a requirement for acceptance under the AE program, the applicant must supply a pre-examination search report and an accelerated examination support document with the application at the time of filing.[15] The support document is like an Office action but is written by the applicant, and accordingly may be more likely to create prosecution history estoppel or inequitable conduct issues. Furthermore, while the fees for filing under the AE program are nominal, conducting a patentability search and preparing the search report and support document can be an expensive endeavor, depending on prior art search costs and the extent of prior art that needs to be reviewed and analyzed and compared to the claims. Finally, unlike the PE program, which follows standard examiner interview procedures, an examiner interview is required under the AE program, which may add to the total cost.[16]

For fiscal year 2016, the fee to file an AE Petition for a large entity is $140, in addition to the standard $1600 application filing fees.[17] The application must be filed electronically and must meet all the requirements under 37 CFR 1.51(b) at the time of filing. Furthermore, the application is limited to three or fewer independent claims and 20 or fewer total claims, and multiple dependent claims cannot be present.

The main drawbacks of the AE program is the burdensome search and support documents required, and the potential estoppel issues created with the submission of these documents. An applicant should therefore evaluate the risk of such submissions before proceeding with the AE program. Another

issue with the AE program is the USPTO's strict emphasis on prompt responses. Failure to timely reply to an Office action can result in the application being removed from the AE program and placed on the Examiner's regular prosecution docket.

Since the introduction of the PE program, the AE program has waned significantly in popularity because of its burdensome search/support document requirements and associated risk of creating estoppel issues.[18] However, despite the costs involved in preparing the search/report documents, AE examination may lead to lower overall costs in some instances. For instance, the process of preparing the documents may lead the Applicant to pursue relatively narrow claims that in turn may reduce overall prosecution costs relative to the PE program.[19]

Patent Prosecution Highway (PPH)

Through the PPH program, the examination of an applicant's U.S. application can be expedited under certain conditions by leveraging examination from other jurisdictions.[20] Under the program, if an applicant received an allowance or a favorable search report from a corresponding foreign or PCT application where at least one claim in the application is found patentable, the applicant may request that the USPTO expedite the examination of the U.S. counterpart application.[21] However, the applicant should note that the claims in the counterpart application must sufficiently correspond to the allowable claims in the foreign application.[22]

Unlike the PE and AE programs, there is no set period for reaching final disposition of the application, and a request for accelerated examination under the PPH program may be filed any time after the U.S. application is filed, but before examination begins.[23] The Examiner may rely on the search and examination results from the foreign patent office during examination of the U.S. application.

The average pendency time of a PPH application is 14.2 months from the grant of the PPH petition to the final disposition of the application.[24] The allowance rate of PPH patents at the USPTO is 86.3%—much higher than the average application.[25] Because of the shorter pendency and ability to leverage foreign prosecution, the overall prosecution costs of the U.S. application can be significantly lower. Furthermore, there is no restriction with respect to the number of claims in the application.

There is no fee associated with filing a petition under the PPH program and examination occurs relatively quickly. A first Office action can be expected within about 3 months from the date of petition grant.[26] While the PPH program is useful for expediting examination of applications, it is only available to applicants who have filed a PCT or other foreign application, and only after the applicant has received a notice of patentable subject matter in at least one PCT or other foreign claim. Companies that routinely file PCT applications are a class of applicants that particularly stand to benefit from the PPH program.

Petitions to Make Special (PTMS)

After the USPTO revised the procedures for expediting applications, the only PTMSs that are not within the scope of another program listed in this article, are those based on applicant's poor health or advanced age. The PTMS program based on the applicant's health or age can move an application to the top of the examination queue without payment of a fee or any other additional submissions, such as the search/report documents under the AE program.[27] Other PTMSs (i.e., based on manufacture, infringement, environmental quality, energy, recombinant DNA, superconductivity materials, HIV/AIDS and cancer, countering terrorism, and biotechnology applications filed by small entities) will be processed using the revised procedure for accelerated examination discussed above.[28]

Unlike the PE and AE programs, there is no set period for reaching a final disposition of the application. However, a request for PTMS must accompany an application at the time of filing. For RCEs, the request can be filed with the RCE or after the RCE is filed. The average pendency time of a PTMS application is 9.26 months from the date the request is granted to the final disposition of the application.[29]

Unless an attorney inquires about the age and/or health of the inventors, it is easy for qualified applicants to overlook the opportunity to have their applications given special status without paying separate filing fees.

Full First Action Interview (FFAI) Program

Unlike PE and AE programs, the FFAI program is not a true expedited program in that no special priority is granted. However, FFAI allows applicants more opportunities to communicate with the Examiner compared to regular examination, which, in turn, may reduce the pendency time and facilitate possible early allowance.

There are no fees associated with participating in the FFAI program; however, the program limits the total claims to 20 with no more than three independent claims.[30] For applications filed under the FFAI, the pendency and number of Office actions issued are commonly reduced and the allowance rate is greater. Although limited statistics directly corresponding to this program are published by the USPTO, the benefits of the program are evident from its First Action Allowance Rate, which is the number of applications determined to be patent eligible upon first review. In FFAI cases, the first action allowance rate is 29.6% while the average for all patent applications before the USPTO is much lower at 11.9%.[31]

A request to participate in the FFAI program can be submitted at any time before a substantive Office action is issued.[32] Under the FFAI, the Examiner conducts a prior art search and provides the applicant with a pre-interview communication to outline potential claim rejections. The applicant then has one month to schedule a first Office action interview. After the interview, the Examiner can either allow the claims or issue a first Office action, after which prosecution proceeds as normal.[33]

For applicants looking to avoid the high costs of PE, and who are willing to reduce and focus their claims, the FFAI program may be a good way to expedite their applications.

After Final Consideration Pilot Program (AFCP 2.0)

Like the FFAI program, the AFCP 2.0 is not a true expedited program in that no expedited final disposition is granted. However, the AFCP 2.0 gives examiners additional time to consider responses after a final rejection and to conduct interviews with applicants.

There are no fees associated with filing a request to participate under the AFCP 2.0 program, nor are there claim number restrictions. However, there must be an amendment narrowing at least one independent claim.[34] If the amendments are straightforward, allowance can be expected in many instances. However, if the amendment is

(continued on page 10)

(continued from page 9)

extensive and/or raises new issues that cannot be addressed by the Examiner within the limited time allotted under the program, the applicant may need to file an RCE with fees to continue prosecution.[35]

For all applicants faced with a final rejection disposition, the AFCP 2.0 program provides an applicant with an opportunity to receive an allowance without resorting immediately to the filing of an RCE, thus potentially shortening pendency and obtaining a cost saving.

Collaborative Search Pilot (CSP) Program

The USPTO also has two relatively new collaborative search programs, one with the Japan Patent Office (JPO) and another with the Korean Intellectual Property Office (KIPO).[36] Generally, the CSP programs allow sharing of patentability search results between the different Offices. In implementing the CSP program, the USPTO's procedure is based on the FFAI program and has similar requirements.[37] The general requirements to participate in the CSP program include a claim limit of three independent claims and twenty total claims, the claims being directed to a single invention, and the claims corresponding between the USPTO and the JPO/KIPO. Further, the earliest priority date of the application must be post-AIA (March 15, 2013), the application must be unexamined in both Offices (i.e., before the USPTO or JPO/KIPO issues a first Office action), and both Offices must grant the petition. Participation in either of the CSP programs results in the application being taken out of turn resulting in receiving expedited search results and reaching final disposition more quickly. As the CSP program has effective dates in August 2015 and September 2015 for the JPO and KIPO respectively, statistics are unavailable at this time.

Conclusion

The USPTO has a number of programs that are aimed at shortening the examination period of patent applications. Two of the programs, PTMS and PPH, are only available in limited situations. The AE program is also available but places a significant burden on applicants and can create a greater estoppel risk. In contrast to the AE program, the PE program provides a patent application special status but with fewer requirements. Despite the high initial upfront filing costs, PE is more widely utilized by applicants. In a comparison between PE, AE, and PPH programs, the fastest allowances were obtained on average for applications filed under the PE program, and PE applications may also be the least expensive to prosecute.[38] For applicants who wish to avoid the initial upfront filing costs of the PE program, the FFAI and AFCP 2.0 programs, separately or in combination, may also be beneficial in expediting the allowance of an application.

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Endnotes

1 *See* Traditional Total Pendency, USPTO, *available at* http://www.uspto.gov/corda/dashboards/patents/kpis/kpiOverallPendency.kpixml (providing Traditional Average Pendency from filing to final disposition for all applications over the last two fiscal years; this statistic includes the applications filed as part of an expedited program, so the non-expedited average is even greater). *See also* USPTO's Performance and Accountability Report for 2015 *available at* http://www.uspto.gov/sites/default/files/documents/USPTOFY15PAR.pdf.

2 *See* Utility, Plant, and Reissue (UPR) Patent Applications Allowed, *available at* http://www.uspto.gov/corda/dashboards/patents/main.dashxml?CTNAVID=1005 (Similarly to the average pendency, this total statistic includes the expedited applications within the total average.). According to the Performance and Accountability Report for Fiscal Year 2015 (*available at* http://www.uspto.gov/sites/default/files/documents/USPTOFY15PAR.pdf) the allowance rate of all applications for FY 2015 was approximately 55%).

3 For a broad helpful timeline detailing expediting initiatives at the USPTO, *see* USPTO Patent Application Initiatives Timeline, *available at* http://www.uspto.gov/patent/initiatives/uspto-patent-application-initiatives-timeline.

4 *See* USPTO's Prioritized Patent Examination Program, *available at* http://www.uspto.gov/patent/initiatives/usptos-prioritized-patent-examination-program.

5 *See* Track One Pendency from Petition Grant to Final Disposition, *available at* http://www.uspto.gov/corda/dashboards/patents/main.dashxml?CTNAVID=1007.

6 *See id*.

7 *See* Track One Final Dispositions, *available at* http://www.uspto.gov/corda/dashboards/patents/main.dashxml?CTNAVID=1007.

8 *See* Prioritized Examination for Non-Provisional Utility Applications, pages 3-4, *available at* http://www.uspto.gov/aia_implementation/track-1-quickstart-guide.pdf. Current schedule of fees is *available at*: http://www.uspto.gov/learning-and-resources/fees-and-payment/uspto-fee-schedule#Patent%20Fees (Note: The Small Entity fees are ½ and the Micro Entity fee ¼.).

9 37 C.F.R. § 1.102(e). *See also* Fed. Reg. Vol. 79, No. 83, *available at* https://www.gpo.gov/fdsys/pkg/FR-2014-03-05/pdf/2014-04806.pdf (Among other updates to the PE rules, the requirements for prioritized examination were amended to permit an applicant to postpone submission of an inventor's oath and declaration until after the filing date of the application, so long as the application as filed includes an executed application data sheet meeting the conditions specified in 37 CFR 1.53(f)(3)(i).).

10 Certain fees may/may not be available for refunds. *See* Prioritized Patent Examination FAQs, *available at*: http://www.uspto.gov/patents/init_events/track1_FAQS.jsp (Only the Track One prioritized examination fee, set forth in 37 CFR 1.17(c), will be refunded upon the dismissal of the original request for prioritized examination. This fee will be refunded automatically (if paid) without the need for applicant to request such a refund. The Track One processing fee, set forth in 37 CFR 1.17(i), will be retained to cover the cost of processing the request. In accordance with 37 CFR 1.26, the application fees, including the basic filing fee, search fee, examination fee, and any required application size or excess claim fees cannot be refunded. Applicant may, however, request a refund of the search fee and any excess claims fees by filing a petition for express abandonment of the application in accordance with 37 CFR 1.138(d).

11 37 C.F.R. § 1.102(e). The prioritized examination program grants special status until one of the following occurs: i. Applicant files a petition for extension of time to extend the time period for filing a reply; ii. Applicant files an amendment to amend the application to contain more than four independent claims, more than thirty total claims, or a multiple dependent claim; iii. Applicant files a request for continued examination (RCE); iv. Applicant files a notice of appeal; v. Applicant files a request for suspension of action; vi. A notice of allowance is mailed; vii. A final Office action is mailed; viii. The application is abandoned; or ix. Examination is completed as defined in 37 CFR 41.102. *See also* Prioritized Patent Examination FAQs, *available at*: http://www.uspto.gov/patents/init_events/track1_FAQS.jsp.

12 *See* generally Accelerated Examination, *available at* http://www.uspto.gov/patent/initiatives/accelerated-examination.

13 *See* Pendency from Filing and PTMS Decision (May 29, 2015), *available at* http://www.uspto.gov/patent/initiatives/accelerated-examination (Average pendency from filing to disposition was 12.58 months for FY 2015).

14 *See* Accelerated Exam Statistics, USPTO (last updated April 2012) *available at* http://www.uspto.gov/sites/default/files/patents/process/file/accelerated/ae_petition_status_2012apr09.pdf.

15 *See* Part I: Requirements for petitions to make special under accelerated examination, Guidelines for Applicants under the New Accelerated Examination Procedure, *available at* http://www.uspto.gov/sites/default/files/patents/process/file/accelerated/ae_guidelines_20140520.pdf.

16 *See id*.

17 *See* generally Patent Application Filing Fees, *available at* http://www.uspto.gov/learning-and-resources/fees-and-payment/uspto-fee-schedule#Patent%20Fees.

18 For a detailed comparison and discussion of Prioritized Examination vs. Accelerated Examination, *see* Michael Anderson & Michael Clifford, Accelerated Examination v. Prioritized Examination, Snippets Volume 10, Issue 1 (Winter 2012), *available at* http://www.mbhb.com/files/FirmService/ec735e40-7528-4e97-8998-5adaf51db15f/Presentation/ceSnippetIssue/Snippets%20Vol%2010%20Issue%201-030712-FINAL.pdf.

19 A general note on AE procedure: the petition for AE is a Petition to Make Special (PTMS) under MPEP § 708.02 and all PTMSs except those based on an applicant's health, age or the PPH program are required to comply with the requirements for a PTMS under AE. For example petitions to make special base on manufacture, infringement, environmental quality, energy recombinant DNA, superconductivity materials, HIV/AIDS and cancer, countering terrorism, and biotechnology applications filed by small entities, will be processed under the AE program. Applicants that file a PTMS based on health, age, or the PPH are not required to fulfill the AE program requirements.

20 Global and IP5 PPH includes Australia (IPAU), Austria (APO), Canada (CIPO), China (SIPO), Denmark (DKPTO), Estonia (EPA), European (EPO), Finland (NBPR), Germany (DPMA), Hungary (HIPO), Iceland (IPO), Israel (ILPO), Japan (JPO), Korea (KIPO), Nordic (NPI), Norway (NIPO), Portugal (INPI), Russia (ROSPATENT), Singapore (IPOS), Spain (IPAU), Sweden (PRV), United Kingdom (UKIPO), and the United States (USPTO). In addition to the Global PPH and IP5 PPH pilot programs, the USPTO has PPH agreements with the following Intellectual Property Offices around the world: Brazil, Colombia, Czech Republic, Mexico, Nicaragua, Philippines, Poland, Romania and Taiwan. *See* http://www.uspto.gov/patents-getting-started/international-protection/patent-prosecution-highway-pph-fast-track. For more information about Foreign Patent Strategy including additional details about PPH *see* Tips for Developing a Cost-Effective Foreign Patent Strategy, Snippets Vol. 13, Issue 1 (Winter 2015), *available at* http://www.mbhb.com/pubs/xpqPublicationDetail.aspx?xpST=PubDetail&pub=298.

21 *See generally* Patent Prosecution Highway (PPH) – Fast Track Examination of Applicants, *available at* http://www.uspto.gov/patents-getting-started/international-protection/patent-prosecution-highway-pph-fast-track.

22 *See* USPTO's PPH FAQs, August 2015, *available at* http://www.uspto.gov/sites/default/files/documents/Global%20PPH%20FAQs%20-%20082815_updated.pdf.

23 *See id*.

24 *See* PPH Statistical Data, *available at* http://www.jpo.go.jp/ppph-portal/statistics.htm.

25 *See id*.

26 *See id*.

27 For more details on PTMS *see also* Accelerated Examination *available at* http://www.uspto.gov/patent/initiatives/accelerated-examination.

28 *See id*.

29 *See* Pendency from Filing and PTMS Decision (May 29, 2015), *available at* http://www.uspto.gov/patent/initiatives/accelerated-examination.

30 *See* III. Requirements, Full First Action Interview Pilot Program Notice, *available at* http://www.uspto.gov/web/offices/com/sol/og/2011/week23/TOC.htm#ref11.

31 *See* First Action Allowance Rate – First Action Interview Pilot cases vs. all new cases, *available at* http://www.uspto.gov/corda/dashboards/patents/main.dashxml?CTNAVID=1007.

32 *See* Frequently Asked Questions Regarding the First Action Interview Pilot Program, May 2011, *available at* http://www.uspto.gov/sites/default/files/patents/init_events/faipp_full_faqs.pdf.

33 *See* Full First Action Interview Pilot Program: Overview, *available at* http://www.uspto.gov/sites/default/files/patents/init_events/faipp_full_overview.ppt.

34 37 C.F.R. § 1.116(b)

35 *See generally* 37 C.F.R. § 1.116(b) and 78 Fed. Reg. 29117.

36 *See generally* Collaborative Search Pilot Program (CSP), USPTO, *available at* http://www.uspto.gov/patents-getting-started/international-protection/collaborative-search-pilot-program-csp.

37 Details of the CSP Program may be found here: http://www.uspto.gov/sites/default/files/documents/GeneralCSPInfo.pdf.

38 Max Colice et al., Expediting Prosecution: Comparing Track 1 Prioritized Examination, Accelerated Examination, the Patent Prosecution Highway, and Petitions to Make Special Based on Age, *available at* http://patentlyo.com/patent/2012/12/expediting-prosecution-.html.

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