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USPTO HOLDS SEMICONDUCTOR PARTNERSHIP MEETING

On April 25, 2006, the Patent Office held its biannual Semiconductor Partnership Meeting in Alexandria, Virginia. The agenda at this meeting covered topics related to the Semiconductor Workgroup (Technology Center 2800), and the United States Patent & Trademark Office in general. Among the speakers at the meeting were Sharon Gibson and Bob Oberleitner, Directors of TC2800; Peggy Focarino, Deputy Commissioner for Patent Operation; and Jay Lucas, Deputy Commissioner for Patent Policy.

Specific topics covered at the meeting and reported in this newsletter include:

- *Overview of the Semiconductor Workgroup*
- *An overview of the USPTO's controversial proposed new rule changes and why the USPTO feels they are necessary*
- *Upcoming proposals for new rules*
- *The status of the USPTO's new electronic filing system, EFS Web*
- *A newly implemented 900 hour training program for new examiners*

Overview of Semiconductor Workgroup

Directors Sharon Gibson and Robert Oberleitner reported on the status of the Semiconductor Workgroup, Technology Center 2800. The Semiconductor Workgroup now has 19 art units and over 325 examiners, and is one of the largest workgroups at the Patent Office.

Applications in the Semiconductor Workgroup continue to rise, with over 25,000 applications being filed in FY 2005. Average pendency of applications until a first Office Action issues varies in the Semiconductor Workgroup from about 14.6 months to about 19.6 months, depending on the particular art unit to which the application is assigned. Average total pendency in the Semiconductor Workgroup varies from about 23

months to about 28.2 months. This compares to an average total Patent Office wide pendency of over 30 months.

The quality of examination in the Semiconductor Workgroup is believed to compare favorably with the quality of examination in the Patent Office as a whole. For FY 2005, the in-process examination compliance rate, which is the percent of office actions reviewed and found to be free of errors that have significant adverse impact on patent prosecution, was 90.9 % in TC 2800, which is better than the 86.2 % Patent Office average. The patent allowance error rate, which is the percent of allowed applications reviewed having at least one unpatentable claim, was 4.4 % in TC 2800. This is slightly lower than the Patent Office average allowance error rate of 4.6 % for FY 2005.

For FY 2005, the Semiconductor Workgroup hired 184 new examiners, and lost 54 examiners through attrition. The Semiconductor Workgroup hiring goal for FY 2006 is 178 new examiners.

The Semiconductor Workgroup continues to provide ongoing technical training for examiners by partnering with industry participants. Participants in this program, which have included the Naval Research Laboratory, Semiconductor Industry Association, IBM, Intel, and Micron, among others, aid the Semiconductor Workgroup by providing training, generally in the form of a lecture, to examiners in relevant technical areas. If your organization is interested in participating in this program, you can contact Tom Thomas at tom.thomas@uspto.gov.

Proposed New Rule Changes

Why the USPTO Believes the New Rules are Necessary

Jay Lucas, the Deputy Commissioner for Patent Policy, discussed the Patent Office's recently proposed rule changes, as well as certain rule changes to be proposed in the near future. He emphasized the reasons for the proposed rule changes, including a need to improve examination quality and efficiency, and reduce pendency. Of special significance is the continued yearly increase in filings (Expected Patent Office wide filings for FY 2006 are nearly 415,000) and the large number of claims in some applications, resulting in unacceptably long pendency.

To help keep up with increased filings, the Patent Office has a goal of hiring 1000 new examiners every year for the next five years. According to Mr. Lucas, the increased hiring alone will not be enough to reduce pendency.

Highlights of the Proposed New Rules

For these reasons, the Patent Office has proposed a number of rule changes. The most controversial of the proposed new rules are changes to the practice of examination of claims in pending patent applications, and changes to continuation practice.

Proposed rule changes to the practice for examination of claims are set forth in the January 3, 2006, Federal Register. 71 *Fed. Reg.* 61. These rule changes would limit

initial examination of an application to 10 “representative claims,” unless the applicant is willing to file an Examination Support Document. The representative claims would include all independent claims in an application, and only those dependent claims that are expressly designated by the applicant for initial examination. The examination of dependant claims that are not designated for initial examination would be deferred until after the initial examination yields allowable representative claims.

If an applicant submits more than 10 independent claims, or designates additional dependent claims, so that there are more than 10 representative claims to be initially examined, the applicant would have to file an Examination Support Document. The Examination Support Document would require that the applicant perform a preexamination search, and submit an Information Disclosure Statement, along with a document identifying limitations in the claims that are shown by any cited references. In addition, the applicant would be required to submit a patentability statement, a utility statement, and a showing of how limitations in the claims are supported by the disclosure.

Proposed rule changes to continuation practice are set forth in the January 3, 2006, Federal Register. 71 *Fed. Reg.* 48. Under the proposed new rules, there would be one continuation available as a matter of right (including RCEs), with special rules for divisional and continuation-in-part applications. Additional continuations would be available only if applicant can show that an amendment, argument or evidence could not have been earlier submitted.

For continuation-in-part applications, applicants would be required to identify which claims are supported in the parent application in order to get the date of the parent application. The current Patent Office practice of making first office actions final would be eliminated if the proposed changes to continuation practice are adopted.

Other rules are proposed, including an accelerated examination procedure, which would provide that the Patent Office will either allow a case or prepare it for appeal within one year from filing, if certain requirements are met. To meet these requirements, the application would need to be E-filed, have 20 claims or less, and the applicant would have to submit a preexamination search. In addition, the applicant would not be allowed to broaden the originally filed claims during the examination process, and would have to agree to file responses to office actions within 1 month.

Comments Regarding the Proposed New Rules

Public comments received so far in response to the new rules have mainly been directed to the proposed rules for claims examination and continuation practice. Among other things, these comments have alleged that the Patent Office does not have authority to promulgate the proposed rules, that the new rules will make practitioners jobs more difficult, and that there are legitimate reasons to allow applicants to file more than 10 claims, as well as to file multiple continuations.

Regarding the comments, Mr. Lucas indicated that the Patent Office believes it has the necessary authority to make the rules. He was also not sympathetic to arguments with

respect to the necessity for filing multiple continuations so that applicants can insure adequate claim coverage on later developed commercial embodiments, stating that the Patent Office is the place for applicants to go after they know what their invention is.

With respect to the proposed changes to claim examination, Mr. Lucas stated that the proposed rulemaking will not require additional effort in 98.8 % of applications, since only 1.2 % of applications include more than the 10 independent claims that would necessitate the filing of an Examination Support Document. He further stated that there are no proposed limits on the number of total or independent claims permitted in an application.

The deadline for submitting comments to the proposed rules directed to claims and continuation practice is May 3, 2006. Final rule making is expected around Christmas, and the rules could be made effective around the first of the year.

Upcoming Proposals for New Rules

Other upcoming proposals for new rule changes include requiring Information Disclosure Statements to be filed early in the examination process (likely before a first office action is issued). The notice of proposed rule making related to IDS practice should be out within the next month.

In addition, rule changes allowing a priority document exchange between the US Patent Office and other foreign offices will likely go into effect in July or August of this year. These rule changes will allow implementation of a procedure where applicants can file paperwork requesting that the US Patent Office retrieve foreign priority documents from the foreign patent office where the priority document was originally filed, rather than filing the priority documents with the US Patent Office themselves. There will be no fees for this service.

Initially, the only foreign patent office participating in the priority document exchange program will be the EPO. Apparently, EPO applicants will also be able to follow a similar procedure to request that the EPO retrieve priority documents from the US Patent Office.

EFS Web

The Patent Office's new filing system, EFS Web, was touted as being a big success. The system allows users to file documents in PDF format to the Patent Office using a standard web browser, such as Internet Explorer. The user receives a date stamp immediately upon filing. Within minutes, the filed document can be viewed on Private PAIR. Practitioners present at the conference made generally favorable remarks regarding the new system.

New Examiner Training

An 8 month long, intensive training program for new examiners is being initiated at the Patent Office. The training involves over 900 hours of university style training, including group lectures, labs, practical applications training, and testing in all major aspects of

patent examination. The goal of the training is to have new examiners performing at a GS 12 level before beginning actual examination in their technology groups.

The new training program has already been implemented for new examiners in Technology Centers 2100 and 2600. Later this year it will be implemented in Technology Centers 2800, 3600 and 3700. It is planned to go Patent Office wide in 2007.

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