



## UNITED STATES PATENT AND TRADEMARK OFFICE

UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND  
DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

AUG 30 2006

The Honorable Lamar Smith  
Chairman, Subcommittee on Courts,  
The Internet, and Intellectual Property  
Committee on the Judiciary  
House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your co-signed letter requesting the United States Patent and Trademark Office's (USPTO) analysis and assessment of H.R. 5120, a bill "to amend title 35, United States Code, to conform certain filing provisions within the Patent and Trademark Office."

We appreciate the Committee's interest in the USPTO's views on this bill. This type of legislation is not without precedent. Currently, patent laws provide the USPTO with discretionary authority to accept late-filed submissions in a number of situations, including: payment of maintenance fees (35 U.S.C. § 41(c)(1)); abandonment of applications (35 U.S.C. § 133); and payment of issue fees (35 U.S.C. § 151). The trademark laws have similar language, for example, regarding timely filing of a verified statement of use (15 U.S.C. § 1051(d)(4)) and abandonment of an application for failure to reply or amend (15 U.S.C. § 1062(b)).

At this time, however, we do not have a position on this proposal. As the Committee recognizes, there could be some benefits, and at least one direct beneficiary, of providing the type of additional flexibility provided by the proposal. However, as the Committee also recognizes, there are also benefits to maintaining the certainty inherent in current law in this area. While we have a sense of the potential impacts on the possible direct beneficiary to this legislation, we do not yet have a full sense of the impact on others in the invention, manufacturing, consumer, and intellectual property communities. As the legislative process continues, we would encourage the Committee to explore these issues, as the views of a range of parties may help elucidate the merits and limitations of the proposal. Similarly, while we currently do not believe the legislation requires additional restrictions or limitations in order to ensure neutral application if enacted, further exploration of the issue may help inform this question as well.

We are pleased to provide information below that is responsive to various questions posed in your letter.

The Honorable Lamar Smith

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**Previous Applicants that Would Benefit from Enactment**

We are aware of one current application for patent term extension that would immediately benefit from enactment of the bill. That application is related to patent number 5,196,404 owned by the company named in your letter. More generally, a review of our records indicates that, of the over 700 applications for patent term extension filed since 1984, three other applications were not granted due, at least in part, to timeliness issues. One of these applications was filed within 65 days of the "approval date," and thus may have been eligible for a petition to have the delay excused, if the proposed provision had been in effect.

**Prospective vs. Retrospective**

It is not unprecedented for newly enacted patent legislation to apply to issued patents and pending applications. That fact noted, prospective or retrospective discretionary authority, as proposed in the bill, would have to involve a careful balancing of all relevant interests involved. We are unable to make a particular recommendation in this regard because we are unaware of any substantive input by interested parties, other than the '404 patent owner.

**Exercise of Discretion**

With respect to the circumstances under which we would expect to exercise discretion, we believe it is premature to attempt to list or identify particular examples at this point. We would, of course, if granted the subject authority, be likely to follow the policies reflected in the administration of areas currently subject to discretionary review of delayed filings.

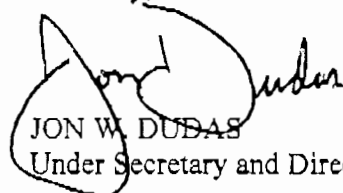
**Patent Reform**

Although our survey of patent term extension applications reveals few issues related to timeliness, this legislation would be of use to at least one current applicant and could be utilized by future applicants who miss the patent term extension application deadline due to unintentional delay. As noted above, the discretionary authority contemplated by H.R. 5120 is similar to other deadline-extending provisions in patent law.

As indicated in testimony before your Subcommittee in April, the USPTO supports enactment of two patent proposals pending before the Subcommittee that are widely supported throughout the intellectual property community, namely, a post-grant review procedure and a new procedure for submission of prior art. We continue to review other proposals before the Subcommittee.

The Office of Management and Budget has advised that there is no objection to the transmittal of these views from the standpoint of the Administration's program.

Sincerely,



JON W. DUDAS  
Under Secretary and Director

Identical letter sent to:

The Honorable Howard L. Berman  
Ranking Member, Subcommittee on Courts,  
the Internet, and Intellectual Property