

Summary of Public Comments and the Restriction Reform Options to be Studied by the United States Patent and Trademark Office

The United States Patent and Trademark Office (USPTO) established a 21st Century Strategic Plan to transform the USPTO into a more quality-focused, highly productive, responsive organization supporting a market-driven intellectual property system. As part of this plan, the USPTO stated it would conduct a study of the changes needed to implement a Patent Cooperation Treaty (PCT) style Unity of Invention standard in the United States. The plan was to complete the study and introduce any appropriate legislation before the end of the 108th Congress.

Prior to starting a detailed study, the USPTO sought public comment on a number of issues to help guide the scope and content of a study on the adoption of a Unity of Invention standard in the United States. On May 30, 2003, the USPTO published a Request for Comments on the Study of the Changes Needed to Implement a Unity of Invention Standard in the United States, 68 *Fed. Reg.* 27536 (May 30, 2003), 1271 *Off. Gaz. Pat. Office* 98 (June 17, 2003). In response to this request, the USPTO received twenty-six (26) public comments. Those public comments were posted on the USPTO's Internet Web site.

This notice summarized the general nature of the comments received and the next steps of the study. As a result of the comments received, the USPTO will do a detailed business-case analysis on four restriction reform options and has prepared a revised timeline to complete the study. The USPTO is replacing the public comments and schedule to implement a PCT-style Unity of Invention standard with this notice.

Brief Synopsis of the Comments Received on Each Issue

Issue 1: Unity of Invention as practiced in the EPO is interlinked to EPC-style claim drafting and EPO central claim treatment practice, including certain limitations on claiming that are not present in current U.S. practice. For example, the EPO (under EPC rule 29(2)) usually allows only one independent claim per category of invention (category of invention is that of product, process or apparatus of use), and emphasized the search and examination of independent claims. In contrast, the USPTO searches and examines every claim, independent and dependent, and every limitation of every claim. In addition, EPC-style claim drafting is generally termed "central claiming". In central claiming, the inventive concept is essentially claimed in the independent claim. If the independent claim is found allowable, the EPO examination will not be unduly concerned with respect to the dependent claims, according to EPO Guidelines, C-III, 3.6.

Should the USPTO study ways to adopt EPO claim treatment practice, including normally allowing only one independent claim per category of invention, when considering ways to adopt a Unity of Invention standard, and why?

Should this include the USPTO considering emphasizing the examination of independent claims and modifying the examination of dependent claims in the same fashion as the EPO?

If so, would there be any reason to consider changes to the presumption of validity under 35 U.S.C. & 282 of those dependent claims?

Synopsis of Comments to Issue 1: There was no consensus in the comments to move to EPO's strict unity of invention standard. The comments generally expressed a strong objection to move to the EPO style of claim drafting, searching and treatment.

Issue 2: In U.S. restriction practice, the applicant can file a subsequent application that is directed to an invention that was divided out of the parent application. These are called divisional applications. Divisional applications are typically subsequently filed and are not normally examined concurrently with the parent application. Divisional applications retain the benefit of the filing date of the original application if the conditions set forth in 35 U.S.C & 120 are met. This allows an applicant to continue to pursue protection for the inventions subject to restriction that were in the original application without being affected by double patenting. All member states of the Paris Convention for the Protection of Industrial Property (1967) (including Japan and all EPC member states), as well as the EPO, also provide for the filing of divisional applications. However, the PCT does not yet provide for applicant to pay for the search and examination of additional inventions that "lack unity" in a single international application. Adoption of a Unity of Invention standard could, in some instances, require examining more inventions during the examination of a single application that occurs presently, thereby possibly causing delay in the examination of other applications if examination resources are limited. This could increase the USPTO's average pendency time.

If the USPTO adopts a Unity of Invention standard, should the USPTO provide applicants the option of a PCT-style Unity of Invention practice to pay for additional inventions that lack Unity of Invention in the same application?

If so, should the USPTO consider any changes to patent term adjustment under 35 U.S.C. & 154(b) for applications which have more inventions examined in a single application under a Unity of Invention standard than are permitted under current practice?

In view of the fact that examining multiple inventions in a single application could cause examination delay in other applications, what other revisions to patent term adjustment provisions under 35 U.S.C. & 154(b) should be considered by the USPTO, or should the USPTO also consider revisions to the order that cases are taken up for examination?

Synopsis of Comments to Issue 2: The comments generally express some qualified support to permit payment for additional examination of additional inventions including a proposal for a sliding scale of fees based on USPTO efforts. The comments generally

expressed strong opposition to any patent term adjustment reduction based on requesting examination of additional inventions.

Issue 3: Under the PCT, examination proceeds on the basis of the first claimed invention if applicant does not pay for additional inventions that lack unity.

Should the USPTO adopt, for national applications, the practice used currently under the PCT of examining the first claimed invention where there is a holding of lack of Unity of Invention?

Optionally, where Unity of Invention is lacking: (1) should the USPTO examine the first claimed product or the first claimed invention if there are no product claims, or (2) should applicant be given the opportunity to elect an invention to be examined?

Synopsis of Comments to Issue 3: The comments generally strongly encouraged the USPTO to retain its practice of oral elections and expressed some limited support for examining the first invention if applicant fails to orally elect. Most comments expressed a preference to continue the current practice of written requirement if oral election is not possible.

Issue 4: A determination of lack of Unity of Invention is predicated on assessing whether a common feature (referred to as a “special technical feature” in the context of PCT Rule 13) defines a contribution over the prior art. Certain PCT member states assess this requirement only with respect to patentable advances over prior art. However, issues of lack of support, enablement, clarity, or conciseness, generally resulting from excessive breadth of claims or excessive number of claims, may occur that render examination unduly burdensome. In such circumstances, some International Authorities will make a “partial search” declaration to limit the extent of search and examination. The USPTO does not follow this practice. ON the other hand, it may be viewed that if the common feature of “special technical feature” is not adequately supported by the disclosure or lacks utility (“industrial applicability” in the PCT context), the special technical feature does not make a contribution over the prior art.

When adoption the Unity of Invention standard, should the USPTO follow the practice of performing only a “partial search” if the examination of the entire scope of the claims is unduly burdensome due to non-prior art issues?

Alternatively, should the USPTO assess adequacy of the disclosure and industrial applicability in addition to the prior art when determining whether the claims’ common feature makes a contribution over the prior art?

Synopsis of Comments to Issue 4: The comments generally expressed mixed support for a partial search and even less support to look to 35 U.S.C. & 112, first paragraph, issues in making a lack of unity holding. Some of the larger organizations were supportive of looking to non-prior art issues in making a determination concerning lack of unity or restriction.

Issue 5: The USPTO's 21st Century Strategic Plan is predicated on a certain level of revenue to provide the resources needed to meet quality and timeliness goals. The Plan currently does not account for any additional resource requirements, and any corresponding revenue shortfalls, that may result from adopting a Unity of Invention standard. Statutory fees under 35 U.S.C. & 41 (a) and (b), in the aggregate, are set to cover USPTO operating costs. If the average cost of processing patent applications goes up, the USPTO will need to increase fees. Assuming that there will be extra costs of examination under Unity of Invention, possible increases would be: (1) all filing fees; (2) all filing fees and an additional fee for examination of claims that lack Unity of Invention with an elected invention; (3) increased issue and/or maintenance fees of all applications; (4) increased issue and/or maintenance fees for applications paying the additional invention fee, or (5) a combination of two or more of (1) through (4) above.

Which of the above approaches should the UPTO propose in regard to any fee increases?

Synopsis of Comments to Issue 5: The comments expressed a slight preference for a limited increase in filing fees, excess claims fees, and maintenance fees. The comments expressed some support for a fee to examine additional inventions. There were comments suggesting that no change should be made if the examination costs would increase.

Issue 6: Adopting a Unity of Invention standard would impact the number of inventions that would be examined in a single application, and require examining multiple inventions that cross multiple disciplines in a single application. Due to the current level of technical specialization in the Patent Examination Corps, the USPTO will have to consider the impact any change would have on the ability of the USPTO to maintain high quality examination.

How should work be assigned to ensure that examination quality would not suffer if examiners have to examine multiple inventions from different disciplines in a single application?

Should the USPTO consider: (1) team examination, similar to the EPO where applications are examined using three person teams called examination divisions; (2) extending the use of patentability report procedures provided for in section 705 of the Manual of Patent Examining Procedure (8th ed.2001) (Rev. 1, Feb. 2003); (3) maintaining the current process of a single examiner on an application; or (4) some other option of how work is performed by examiners?

Synopsis of Comments to Issue 6: The comments generally expressed a preference to continue the single examiner model and recommend use of team examination on a case-by-case basis.

Issue 7: One way of adopting aspects of Unity of Invention without making any statutory changes, the USPTO could use its authority under continued examination (35 U.S.C. & 132(b), request for continued examination or RCE) to permit applicants after prosecution has been closed on a first invention to pay an RCE fee and submit or rejoin claims to additional inventions so long as they either depend from or otherwise include the features of the allowed claims which make a contribution over the prior art. In this option, most applications will continue to be examined only under the USPTO's current restriction practice. Under the new rules to implement this option, when a claim is determined to be allowable, applicant would be entitled to request continued examination under the Unity of Invention standard. The required submission would be an amendment to the claims directed to the related invention to adopt the limitations that placed the earlier examined claims in condition for allowance (if any amendment is needed).

Should the USPTO consider this option?

Should this option be available only to applicants whose applications are published?

If so, how should the new RCE fee be set relative to the current fee structure?

Synopsis of Comments to Issue 7: The comments generally expressed a strong opposition to this procedure. It was not apparent that the comments recognized that this option would permit newly submitted claims after close of prosecution to be considered (which is not the case today). Further, the comments appeared to assume that this option would be an alternative to existing rejoinder practice and not a replacement for the current rejoinder process.

Issue 8: As a second example of adopting aspects of Unity of Invention without making any statutory changes, the USPTO could use its authority under continued examination to permit requests that the USPTO continue examination of claims which were withdrawn for consideration. This option would require applicants to make a decision to request continued examination rather than file a divisional application, to pay a fee for the treatment of one additional invention, and to present claims drawn to only the one additional invention paid for. Note: This option would be in addition to the continuing option of filing a divisional application.

Should the USPTO consider this option?

If so, how should the loss in issue and maintenance fee collections relative to the current structure be offset?

Synopsis of Comments to Issue 8: The comments generally expressed mixed support for this proposed procedure.

Issue 9: In view of the previous questions and the range of issues and options, should the USPTO consider: (1) seeking a change to 35 U.S.C. & 121 to adopt a Unity of Invention

standard (and if so, what would such statutory change be, including whether such statute provide for applicants to pay for additional inventions that lack Unity of Invention to be examined in the same application); (2) maintaining the current restriction practice in the USPTO; (3) a modification to the USPTO rules and procedures to adopt aspects of Unity of Invention practice without making any statutory changes (if so, in what manner should rule changes be made)?

Synopsis of comments to Issue 9: The comments generally provided strong input that the USPTO should first address consistency in current procedures and then determine if further changes are needed. The comments generally expressed that the USPTO should balance cost and impact on quality before going forward with any change in statute or procedure (other than following its published procedure). Some comments suggested the USPTO seek authority to permit applicants to either file additional divisional applications or seek examination of related inventions in a single case with fee setting authority to recover costs.

Issue 10: If you have other solutions to offer which are not addressed herein, what would they be?

Synopsis of Comments to Issue 10: Some commentators suggested an overhaul of aspects of current production system that are perceived to encourage undue restriction requirements. One commentator suggested EPO and PCT adopt the US system. Some commentators suggested revisions of rejoinder practice to permit greater use.

Overall Summary of Public Comments

The public comments were generally supportive of the USPTO's efforts to study restriction practice reforms. In general, the comments expressed a desire to immediately address inconsistent practices under the current restriction standards. The comments supported the USPTO making the best choice in regard to any long-term restriction reforms and not being limited to considering only a strict PCT Unity of Invention standard. The public comments generally pointed to a number of goals for any changes of the restriction standards:

- Increase cost-effectiveness,
- Promote quality patents,
- Enhance predictability of restrictions,
- Encourage one examiner to examine all claims to the same invention or inventive concept,
- Do not encourage the filing of divisional applications so as to reduce the number or patent file histories directed to related claims, and
- Promote harmonization.

Restriction Reform Options to be studied

Based on the public comments, four restriction reform options are being considered for further study:

1. Current national restriction practice with option to request examination of extra invention(s) for a fee(s)
2. PCT Unity modified in view of the public comments
3. Three-Tiered Fee Structure to adjust the costs imposed with the aggregate efforts needed for certain groups of applications
4. Independent and distinct – revised process

Details of each of these four options follow:

1. Keep current 35 U.S.C. & 121 standard, and allow some form of concurrent examination but limiting number of groups in a single case.
2. Straight PCT Unity of Invention, consistent with harmonization
 - Adoption of PCT standards and examples for US national practice.
 - Adjustment of Fees
 - Need to reach consensus on what fee(s) should be increased.
 - Permit examination of additional inventions that lack unity of invention for a fee.
3. Three-Tiered Fee Structure Option
 - Base fees on additional issues of patentability and additional searches thus creating a three-tiered fee structure based on the degree of relatedness and search burden.
 - Applicants would pay a base fee if only claims directed to substantially similar inventions are elected.
 - An intermediate fee or surcharge above the base fee would be charged for election of a number of related inventions that require limited additional searching but include similar patentability issues.
 - A higher surcharge above the base fee would be charged for election of multiple unrelated inventions that require additional searching and also present dissimilar patentability issues.
4. Independent and Distinct – Revised Process
 - Re-interpreting the current 35 U.S.C. & 121 “independent and distinct” standard. This would involve moving away from our current interpretation of “independent or distinct”. This revision would result in more inventions that are “related” but not truly independent being examined together relative to today’s standard.
 - In order to impose a restriction between two inventions, the examiner must set forth:

- That the inventions are distinct (patentable over each other) and
- That the inventions are independent. (Independent may be shown by: (1) there being no common feature; or (2) an inference by the examiner that the common feature fails to define over the prior art.)
- The restriction requirement would be withdrawn if the common feature were determined to be patentable after examination of claims drawn to the elected invention or species.
- Benefits:
 - If a claim is allowable, determine whether a common patentable feature is present in both the allowed claims(s) and the withdrawn claim(s)
 - If other inventions include a patentable common feature, the other inventions would be rejoined.
 - No need to draft overly broad linking claims
 - Where elected invention is not patentable, USPTO burden is minimized.
- Applicant would “provisionally elect” one of the related inventions for examination and define the feature(s) they consider to be in common between the related inventions.
- Examiner would search and examine the elected invention.
 - If the elected invention is not patentable the restriction would be made final and the claims directed to the non-elected invention(s) would be withdrawn.
- If the elected invention is patentable, the examiner would continue to search the common features (typically be searching the other related inventions).
 - If the common feature is determined to be not patentable the restriction is made final (although any related invention searched and determined to be patentable prior to uncovering the rejectable related invention should be rejoined with the elected invention).
 - If the common feature is determined to be patentable the restriction between the related inventions including the special technical feature would be withdrawn.

Restriction Reform Study Project Plan and Timeline

The study of these four options will require an in-depth analysis how each option would be implemented and the business impacts to the USPTO associated with each option. The revised project timeline:

- December 15, 2003 – Complete the details of how each option will be implemented. This will include determining the changes to the standard (options 3 & 4), how examiners will apply the standard, and the rules/procedures for processing applications based on the assumptions of each of the options.
- February 1, 2004 – Complete a sampling of applications, applying the standards of all four options to each application. Based on that sampling and the applications of the

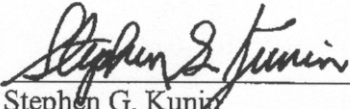
different options determine how many inventions or claim sets will be examined in each option.

- April 1, 2004 – Complete the business analysis of each option. This will involve:
 - Determining the additional number of inventions or claims sets that would be examined in each option as compared to the current business practice.
 - Make assumptions on any changes to application prosecution and filing trends.
 - Determining the workload impacts involved in terms of additional inventions or claim sets, as well as impacts on original, continuations, and divisional application filing rates under all four options.
 - Address workload issues when transitioning to any new standard and any impacts on pendency and patent term adjustment.
 - Determine the impact on income under the current fee schedule for all four options.
 - If income is impacted in any option, determine how to make corresponding adjustments to fees.
 - Analyze the impact of implementing each of the four options on the quality of examination, examiner resources, organizational structure, classification, rules and legislative changes, and labor-management relations issues.
- May 1, 2004 – Finalize and publish a “Green Paper”, detailing the options and the business impact analysis.
- June 15, 2004 – Hold public hearing on restriction reform options outlined in the Green Paper.
- August 15, 2004 – Publish final report, or “White Paper”, on the recommendation of any restriction reform changes.

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