

Entrepreneurship Talks Session II: IP Dos and Don'ts for Early-Stage Businesses

Workings of the
Patent Office and
Examiner Interviews

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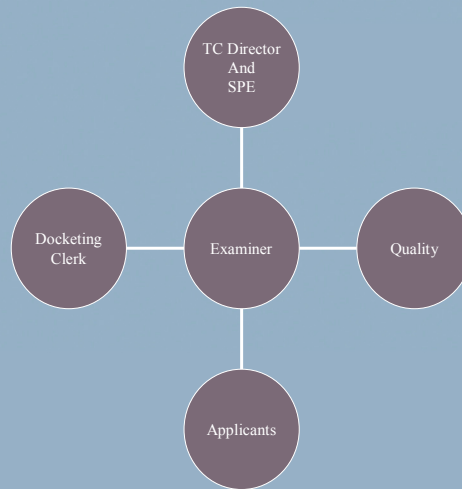
Examining Procedure - Overview

- Goal: Provide insight to the Examiner's world as he or she sees it
- Topics:
 - Examiner's place in the PTO organization
 - Examiner's preparation for the job
 - Examiner's duties and concerns
- Caveat: PTO always trying to improve its procedures

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Examiner's Place in the PTO Organization



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Examiner's Preparation for the Job

- Qualifications For Entry Level Positions: U.S. Citizenship and Scientific College Degree
 - **Engineers:** Completion of a 4-year engineering curriculum leading to a bachelor's or higher degree in engineering in an accredited college/university (Chemical, Agricultural, Electrical, Mechanical, Aeronautical, General, Ceramic, Civil, Petroleum, Metallurgical, Nuclear, Biomedical, Engineering Physics)
 - **Chemists:** Completion of all requirements for a bachelor's degree in an accredited college/university that has included 30 semester hours of chemistry
 - **Microbiologists:** Completion of all requirements for a bachelor's degree in an accredited college/university with major study in microbiology, biology or chemistry - such study must have included at least 20 semester hours in microbiology and other subjects related to the study of microorganisms, and 20 hours in the physical and mathematical sciences
 - **Physicists:** Completion of all of the requirements for a bachelor's degree in an accredited college/university that has included 24 semester hours of physic
 - **Biologists:** Completion of all of the requirements for a bachelor's degree in an accredited college/university with a major study in biological science, agriculture, natural resource management or allied disciplines
 - **Design:** Completion of a full curriculum of study in an accredited college/university leading to a bachelor's degree or higher in industrial design, architecture, product design, applied arts, or graphics

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Examiner's Preparation for the Job

- New hires go to the Patent & Trademark Office Academy for six months
 - Learn the parts of a patent application
 - Learn the application of law, rules, and regulations
 - 35 USC §§ 102, 103, 112, 101
 - Double patenting and restriction practice
 - Manual of Patent Examining Procedure (MPEP)
 - Learn computer programs: Word processing packages, search engines, application tracking system
 - Learn about the PTO Forms – Office Action Summary, Notice of References Cited, Advisory Actions
 - Start issuing Office Actions – at least 4 during their time at the Academy

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Examiner's Preparation for the Job

- Go to their assigned Art Units – Get to examining
- Although there is a learning curve, new examiners are expected to reach full production fairly quickly
- Initially, examiners rely heavily on their SPEs and the more senior examiners in their Art Unit for guidance and advice
 - Recent problems because of telecommuting program

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Examiner's Duties and Concerns

- Examiner's main duty (quoted from the PTO website):
 - “An Examiner analyzes the subject matter of a patent application and the pertinent prior art, i.e. patents and other published technical materials, and determines whether the claimed invention is patentable. He/she applies procedural and substantive law and grants or rejects the claims of the application.”
- Examiner's main obstacle: TIME

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Examiner's Concerns

- Examiner's performance is broken down into the following categories:
 - Production
 - Work flow
 - Customer Service
 - Quality

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Examiner's Concern - Production

- Examiners are expected to maintain at least 95% production for their GS grade level
- Examiner must be at 95% of the next GS level to advance
 - The GS levels are pay grades for government employees - lower GS levels (such as GS 5) are paid less than higher levels (such as GS 13)
 - It is generally “expected” that an Examiner is to advance to the next GS level in 1 year increments
- An Examiner's production depends upon
 - Art area
 - Level of experience
 - Amount of examining time
 - Amount of other time

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Examiner's Concern - Production

$$Pr = \frac{(1/2 \times \text{Counts} \times \text{PP Expectancy})}{(\text{Examining Time} - \text{Other Time})} \times 100\%$$

Pr = Production in a given bi-week (every two weeks)

Counts = Number of counts in a given bi-week

PP Expectancy = The time expected to be spent on examining a single application from when prosecution is first opened to disposal

Examining Time = The time spent each week examining patent applications

Other Time = The time spent each week delegated to tasks other than examining

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Examiner's Concern – Production (PP Expectancy – Pay Period Expectancy)

- The time expected to be spent on examining a single application from when the Examiner first picks up a case (or when prosecution is reopened after an RCE is filed) to when the case is “disposed” – Two counts per PP Expectancy
- Disposal includes: allowances, abandonments, examiner's answers, and RCEs
- Depends on the Art Unit: (mechanical cases have smaller PP Expectancies than electrical cases which have smaller PP Expectancies than chemical cases)
- Depends on the level of experience of the Examiner
- Does NOT depend on number of claims in application

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Examiner's Concern – Production (PP Expectancy)

$$\text{PP Expectancy} = \frac{\text{Expectancy for GS-12 Examiner for the Technology Area}}{\text{Position Factor based on Actual GS-Level}}$$

- **GS-12** level happens to be the standard by which the experience level of the Examiner is compared
- The **PP Expectancy for GS-12** is set for the technology area based on the assumed complexity of the technology and issues involved in evaluating the technology
- The **position factor** ranges from 0.6 (for the entry level GS-5 Examiner) to 1.45 (for the most experience GS-15 primary Examiner)

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Examiner's Concern – Production (PP Expectancy – Level of Experience)

- An example: Mechanical Art Unit (Medical Devices)
- GS 5 Examiner = $18.5/0.6 = 30.8$ hours
- GS 7 Examiner = $18.5/0.7 = 26.4$ hours
- GS 9 Examiner = $18.5/0.8 = 23.1$ hours
- GS 11 Examiner = $18.5/0.9 = 20.6$ hours
- GS 12 Examiner = $18.5/1.0 = 18.5$ hours
- GS 13 Examiner = $18.5/1.15 = 16.1$ hours (no signatory authority)
- GS 13 Examiner = $18.5/1.25 = 14.8$ hours (partial signatory authority)
- GS 14 Examiner (Primary) = $18.5/1.35 = 13.7$ hours
- GS 15 Examiner = $18.5/1.45 = 12.8$ hours

$$Pr = \frac{(1/2 \times \text{Counts} \times \text{PP Expectancy})}{(\text{Examining Time} - \text{Other Time})} \times 100\%$$

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Examiner's Concern – Production (Counts)

- Two counts per PP Expectancy
- Counts: first action on the merits, first actions after RCEs, allowances, abandonments, examiner's answers
- Not counts: restrictions/elections, advisory actions, second non-final actions or final office actions

$$Pr = \frac{(1/2 \times \text{Counts} \times \text{PP Expectancy})}{(\text{Examining Time} - \text{Other Time})} \times 100\%$$

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Examiner's Concern – Production (Examining and Other Time)

- **Examining time** = 80 hours minus any other time
- **Other time**
 - Restrictions = 1 hour
 - Training sessions = Length of training session
 - Art Unit meetings = Length of meeting
 - Fire drills = Length of fire drill
 - Vacation, Sick days, Government holidays, Government closures = 1 day per day off
 - Assigning and/or classifying applications for examination
 - Interviews = ????

$$Pr = \frac{(1/2 \times \text{Counts} \times \text{PP Expectancy})}{(\text{Examining Time} - \text{Other Time})} \times 100\%$$

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Examiner's Concern – Production Example

- GS 12 Examiner in Mechanical Art Unit 3736 (PP Expectancy = 18.5 hours)
- In one bi-week
 - 5 first office actions (searching & writing up office actions) – 5 counts
 - 4 second office actions (searching, consideration of applicant's remarks, writing up office actions) – no counts, no other time
 - 2 advisory actions – no counts, no other time
 - 3 restrictions – no counts, 3 hours of other time
 - 1 RCE and 2 abandonments – 3 counts

$$Pr = \frac{(1/2 \times \text{Counts} \times \text{PP Expectancy})}{(\text{Examining Time} - \text{Other Time})} \times 100\% \quad Pr = \frac{(1/2 \times 8 \times 18.5)}{(80 - 3)} \times 100\% = 96.1\%$$

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Examiner's Concern – Production Example

- Examiner with a PP Expectancy of 30.5 hours
- In one bi-week
 - 4 first office actions (searching and writing up office actions) – 4 counts
 - 3 second office actions (searching, consideration of applicant's remarks, writing up office actions) – no counts, no other time
 - 1 art unit meeting – 1 hour of other time
 - 1 vacation day (8 hours)
 - 1 allowance – 1 count

$$\text{Pr} = \frac{(1/2 \times \text{Counts} \times \text{PP Expectancy})}{(\text{Examining Time} - \text{Other Time})} \times 100\%$$

$$\text{Pr} = \frac{(1/2 \times 5 \times 30.5)}{(80 - 9)} \times 100\% = 107.4\%$$

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Examiner's Concern – Production

- Production is broken down into bi-weeks (2 week increments)
- Counts for the bi-week must be counted by the docketing clerk by noon of the following Monday
- TC director/SPE track production quarterly
- End of the fiscal year is end of September

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Examiner's Concern – Work Flow

- New docket: Cases with no action
 - Work on oldest filed first
- Amended docket: Cases with filed responses to non-final office actions, RCEs and restrictions
 - Must work on within 2 months from appearance on docket – otherwise a hit on evaluation for work flow
- Special docket: Cases with filed responses to final office actions
 - Must work on within 10 days from appearance on docket – otherwise a hit on evaluation for work flow

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Examiner's Concern – Customer Service

- Easy requirements
 - Be courteous and be respectful to applicants
 - Respond to telephone calls within one business day
 - Change voicemail to reflect the fact you are out of the office when on vacation
- Only becomes an issue if applicants complain

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Examiner's Concerns - Quality

- Quality reviews allowed applications
- Quality generally does not review rejections
- If Quality flags an application, Examiner gets a notice: too many notices – very bad
- A cynical strategy: it is better to send out bad rejections than to allow a case so as to limit exposure to the judgment of quality

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Examiner's Concerns

- Great: abandonments and RCE
- Good: first office actions, solid allowable case
- Fair: final office actions
- Bad: second non-final rejections, any activity that does not have a count or other time associated with it, and a large number of claims
- Examiners have no interest in not allowing a case except they are subject to the judgment of quality

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Considering an Interview?

- Telephone vs. Personal
 - Telephone
 - Pro: lower cost
 - Con: more difficult for visual discussions
 - Personal
 - Pro: facilitates discussions, including use of visual references, may signal importance of case
 - Con: higher cost

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Timing: Examiner's Perspective

- Examiners are typically granted 1 hour of non-examination (“other”) time for an interview
 - This is not uniform because some SPE’s do not like excessive non-examination time
- Biweekly timing
- Quarterly timing

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Timing of Interview

- Prior to First Action?
 - Permitted (even encouraged in some situations) per MPEP § 713.02, but at Examiner's discretion
 - Could be opportunity to explain complex invention before first action
 - However, identification of closest prior art may be required by the Examiner – MPEP § 713.02

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Timing of Interview (continued)

- After-Final Office Action
 - After-Final interview may be granted at Examiner's discretion – MPEP § 713.09
 - However, Examiners tend to deny after-Final interviews, particularly when no amendments are submitted
 - Dangling of the RCE
 - Sometimes Examiners simply refuse

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Who Should Attend?

- Examiner
 - Does the Examiner have negotiation authority to conduct interviews alone?
 - Typically, only relatively new Examiners do not have negotiation authority
 - If not, consider requesting presence of Primary Examiner or Supervisor
 - Presence of Primary Examiner or Supervisor can provide balance to Examiner's arguments

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Who Should Attend? (continued)

- Representative of Client
 - Can aid in explanation of invention and art
 - Can explain ambiguities in prior art
 - Can demonstrate importance of invention to client
 - Risk

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Preparation

- Take time to prepare beforehand
- Study disclosure of application
 - Is there a problem that is being addressed?
 - What solutions/advantages does the invention provide?
 - What features are claimed?
 - Independent claims
 - Dependent claims

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Preparation (continued)

- Study Office Action
 - What rejections are presented?
 - Study references
 - Seek flaws in prior art rejections

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Preparation (continued)

- Review comments from client again
 - Inventors sometimes provide additional advantages and points not discussed in application

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The Interview

- Some suggestions:
 - Thank Examiner for taking time for interview
 - Be courteous – keep your cool – advance your client’s interests
 - Be prepared to “think on your feet” – it is difficult to anticipate every comment or question the Examiner may have

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The Interview (continued)

- Briefly summarize agenda for interview
- Discuss the background and problems faced in art
- Discuss the claimed invention
 - Ask Examiner if he/she has questions about invention
 - Interview is an opportunity to clarify Examiner's understanding of invention

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The Interview (continued)

- Discuss the claims
 - Are there any proposed amendments?
 - Ask the Examiner if he/she has any questions about the claims
 - Discuss how claims could be amended to address issues, if necessary

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The Interview (continued)

- Discuss the Office Action and references
 - Clarify any ambiguity in the Office Action
 - Distinguish from claimed invention
 - Any missing features?
- Discuss any advantages provided by invention
 - Ex: argue against obviousness of combined references

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The Interview (continued)

- Has the invention been commercialized?
 - Examiners sometimes ask this
 - May demonstrate importance of invention to client and/or value of invention

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The Interview (continued)

- Demonstrations / Exhibits
 - Can be extremely useful...when used correctly
 - Could also backfire – consider use of exhibit carefully
 - Practice, practice, practice
 - Obtain multiple samples from client, if possible

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The Interview (continued)

- What if Examiner is not persuaded by initial arguments?
 - Ask Examiner if other claim language is preferable
 - Ask Examiner if additional evidence is preferable, such as a declaration

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Outcome of Interview

- Ask Examiner if current rejection is overcome
- Examiners are trained to never say that an application is allowable once a rejection has been overcome
 - Examiners are trained to update prior art search when a rejection is overcome before allowing application
 - Rare for Examiner to immediately state that application is allowed when rejection overcome

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Outcome of Interview (continued)

- If the interview is after-Final and claim amendments were discussed, ask Examiner if claim amendments would be entered and considered in an after-Final response
- Put Examiner's position on after-Final amendment in Interview Summary, especially if Examiner agrees to enter after-Final amendment

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Outcome of Interview (continued)

- Interview Summary
 - If Interview Summary is provided at end of interview, review comments in Interview Summary before you leave
 - If no Interview Summary is provided, discuss what the Examiner will state in the Interview Summary

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Outcome of Interview (continued)

- Interview Summary
 - If the Examiner states that a particular rejection has been overcome or that particular claim language would overcome a rejection, make sure this is stated in Interview Summary
 - Such statements avoid confusion in future about what rejections were overcome and/or what claim language is desired
 - Also useful for reporting outcome to client

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Outcome of Interview (continued)

- If no Office Action is outstanding (interview conducted after filing response), file a response to Interview Summary within one month
- If Office Action is outstanding, include response to Interview Summary in response to Office Action