

Beware Risks When Expediting USPTO Examination

Law360, New York (February 20, 2013, 12:44 PM ET) -- Right now, the U.S. Patent and Trademark office offers four programs for expediting examination of utility applications: Track 1 prioritized examination, accelerated examination (AE), the Patent Prosecution Highway (PPH), and "petitions to make special" based on an applicant's age or health. These programs have different requirements and offer different advantages. They also carry different risks and potential penalties. These risks and drawbacks differ significantly and should play a role in any decision to pursue expedited examination.

Track 1, AE, the PPH and "petitions to make special" based on an applicant's age or health fall under the auspices of 37 C.F.R. § 1.102, which allows an application to be advanced out of turn for examination if the applicant submits an appropriate petition or request along "with a showing which, in the opinion of the Director, will justify so advancing it." The risk lies in the likelihood of failing to present a showing that justifies granting the petition for advancement; the drawbacks lie in what happens if the [USPTO](#) does not grant the petition.

Each of these programs requires a different petition and a different showing. Every showing has procedural elements, and some showings include substantive elements too:

- For Track 1, the showing includes a statement that the application is an original nonprovisional application, with no more than 30 claims and no more than four independent claims, filed with fees (including the extra Track 1 examination fee) under 37 C.F.R. § 1.111(a)[1].
- For AE, the showing includes a pre-examination search and an accelerated examination support document characterizing the search results with respect to the claims in addition to meeting certain formal requirements, including filing with a declaration, fees, and formal drawings.
- For the PPH, the applicant must show that the claims in the U.S. application "sufficiently correspond" to allowable claims in a corresponding Patent Cooperation Treaty application or foreign application.
- For age/health, the applicant must show that at least one applicant is over 65 years old or is too ill to assist with prosecution of the application.

Track 1 examination also carries a hefty fee — currently \$4,800 for large entities, \$2,400 for small entities[2] — and is limited to only 10,000 applications per year. The other programs are free or require only nominal official fees and do not have any limits.

In each program, if the USPTO it finds that the applicant has made the relevant showing, it grants the petition for expedited or "special" status. If the petition is defective, then USPTO will deny it, and the application is placed (or remains) on the regular examination track. The USPTO may also dismiss AE and PPH petitions with curable defects, in which case the applicant has one month to cure the defect. If the defect is not cured within the one-month response period, the application will be placed on the regular examination track. The only way to appeal a denied petition is by petitioning the director of the USPTO under 37 C.F.R. § 1.181 within two months of the denial.

Perhaps because each program requires a different showing, the petition grant rate for each program is different. For example, Director David Kappos recently stated that about 96 percent of Track 1 petitions have been granted to date.[3] In contrast, as of April 2012, the USPTO had granted only 61.2 percent of petitions for AE; it had denied or dismissed about 31.3 percent of petitions for AE (the remaining petitions were either pending or were withdrawn).[4]

In our recent review of PPH cases,[5] we found that only 9 percent of petitions were dismissed, with an ultimate denial rate of only 2 percent. And "petitions to make special" based on age are granted automatically when filed properly via EFS-Web.[6] Thus, the risk of failing to expedite examination is highest with AE and very low for all of the other programs.

What happens if the petition is denied? In every case, the application is placed (or remains) on the regular examination track. In addition, the denied petition and accompanying documents remain on the record. For Track 1 and age cases, this does not present much of an issue because Track 1 and age petitions do not touch on the patentability of the claims. For PPH cases, the petition is usually accompanied by a favorable search report and prior art references, all of which the applicant would probably have cited in any case in fulfillment of his duty of disclosure. But for AE cases, the accelerated examination support document — which must include a characterization of the closest prior art, the claims, and the application's priority — will likely remain in the file wrapper, creating possibly unwanted prosecution history.

There is also a question of the applicant's ability to recover the costs associated with the petition if the petition is denied. For denied Track 1 requests, the USPTO will automatically refund the prioritized examination fee.[7] (The other programs have either no petition fees or nominal petition fees.) But the cost of preparing the petitions and supporting documents cannot be recovered as easily, if at all. This is especially true of AE, which requires a costly pre-examination search and a support document.[8]

Thus, when petitioning for expedited examination, it may make sense to choose Track 1 over AE because the petition grant is much higher and because the applicant is entitled to a refund from the USPTO if the petition is denied. In addition, the applicant does not have to place any statements about the prior art or the claims on the record when requesting Track 1 prioritized examination. Bear in mind, however, that the USPTO will not grant any Track 1 petitions once it reaches the 10,000-application limit for a given year.

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[1] This includes continuation applications and original nonprovisional plant applications, but not national-stage applications under 35 U.S.C. § 371, reissue applications or design applications.

[2] The Track 1 prioritized examination fees are scheduled to drop to \$4000 (large entity) and \$2000 (small entity) effective March 19, 2013. <http://www.uspto.gov/web/offices/ac/qs/ope/fee031913.htm>.

[3] <http://www.patentlyo.com/patent/2012/09/the-america-invents-act-one-year-later-pt-3.html>,

[4] http://www.uspto.gov/patents/process/file/accelerated/ae_petition_status_2012apr09.pdf. 16.9 percent of AE petitions were denied for failure to satisfy formal requirements, 7.8 percent were denied on the merits, and 6.6 percent were dismissed, but could have been cured.

[5] <http://www.patentlyo.com/patent/2012/12/expediting-prosecution-.html>.

[6] http://www.uspto.gov/patents/process/file/efs/guidance/petition_age_quickstart.pdf

[7] USPTO's Prioritized Examination Program FAQs, Question PE-TI15, http://www.uspto.gov/patents/init_events/track1_FAQS.jsp.

[8] The AIPLA 2011 Economic Survey gives the cost of a novelty search, in 2010, of \$2,000. The support document may require additional expenditures.

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