

April 7, 2011

## Introduction

The United States Patent and Trademark Office ("USPTO" or "the Office") has recently announced a new expedited examination program for utility and plant patent applications.<sup>1</sup> Under the program, an applicant can enter a qualifying patent application into the "Track One" prioritized examination program for an additional \$4,000 fee, which assures participants of receiving a final disposition within twelve months of filing. The program will commence on May 4, 2011.

## Track One program basics

When the Track One program is officially rolled out in the coming weeks, applicants will be permitted to submit new patent applications (including continuation applications) for inclusion in the program. Although the program promises a final disposition<sup>2</sup> within twelve months, standard response periods will apply for all office actions and other USPTO communications to the applicant. Given the introductory nature of the program, the USPTO plans to cap the number of patent applications accepted into the program at the first 10,000 qualifying patent applications received during its first year.

## Program requirements

To be eligible for the Track One prioritized examination program, a patent application must meet the following requirements:

- utility or plant application;
- includes a maximum of four independent claims and thirty total claims; and
- filed electronically with all fees (including the standard filing fee, search fee, standard examination fee, and prioritized examination fee).

Unlike other USPTO programs offering accelerated examination (e.g., the Accelerated Examination Program, discussed in a Cooley Alert dated October 30, 2006), patent applications submitted for inclusion in the Track One program need not include any listing or characterization of prior art, nor a first office action/search report for any counterpart patent applications filed with a foreign patent office.

## Strategic points

Given the dramatic reduction of time to final disposition offered by the program, patent applications in fast-moving technology areas stand to reap the most benefit from the Track One program. Thus, individuals and companies in a variety of industries may be well-advised to consider use of the program for any new patent applications or continuation applications to be filed in the coming weeks and months. An applicant may also consider submitting new continuation applications based on currently-pending non-provisional patent applications for inclusion in the program, thereby expediting the process of obtaining protection for the subject matter of an already-filed application.

Average pendency times under the regular, non-expedited prosecution track (referred to as "Track Two") can be compared to those likely to occur under the Track One program. The average pendency times under "Track Two" are detailed in the table<sup>3</sup> below.

UPR Pendency Statistics by Technology Center <i>(in months)</i>	Average First Action Pendency	Total Average Pendency
<i>Total UPR Pendency</i>	<i>25.8</i>	<i>34.6</i>
Tech Center 1600 – Biotech & Organic Chemistry	22.5	35.1
Tech Center 1700 – Chemical & Materials Engineering	25.9	37.4
Tech Center 2100 – Computer Architecture, Software & Information Security	29.4	40.7
Tech Center 2400 – Network, Multiplexing, Cable & Security	28.6	47.7
Tech Center 2600 – Communications	33.0	42.7
Tech Center 2800 – Semiconductor, Electrical, Optical Systems & Components	20.8	29.7
Tech Center 3600 – Transportation, Construction, Agriculture & Electronic Commerce	24.4	35.1
Tech Center 3700 – Mechanical Engineering, Manufacturing & Products	26.5	35.5

We believe that, under the Track One program, a first Office Action will typically be mailed within three months of the patent application filing date. In contrast, the table shows that the typical delay to the mailing of a first Office Action under Track Two is anywhere from 20 to 33 months from the application filing date (with some variance depending on the technical area of the patent application). Thus, the Track One program should reduce the time to the mailing of a first Office Action by 17–30 months over Track Two. The Track One program should

also reduce the time delay between Office Actions, and we believe a reduction of three months total is likely so that the 12-month goal may be maintained (assuming two office actions before final disposition). Thus, a total average savings of 20–33 months under the Track One program is likely. Please note the difference between the table's "total average pendency" statistic (which presumably measures from the filing date through ultimate patent issuance or abandonment), and the promise of a final *disposition* under the Track One program in twelve months. Final disposition merely requires that an application will have received, in the typical case, a final office action or notice of allowance.

Another potential benefit of the program is the lack of a prior art search report requirement, which allows an applicant to avoid the time and costs associated with compiling a search report. This option is also far preferable from a legal standpoint, as such reports often require an applicant to summarize and/or otherwise characterize prior art—raising potential prosecution or litigation hurdles down the road.

Finally, submission of an application to the Track One program can serve to bolster the IP portfolio of emerging companies by indicating that a patent application is likely to reach final disposition (and possibly allowance) in a relatively short period of time. Thus, a company can emphasize to potential funding sources or acquirers that patent rights are likely imminent, potentially resulting in an improved valuation for the company's IP portfolio.

## Conclusion

The above strategies may not be applicable or appropriate under all situations. Moreover, the above discussion is not an exhaustive review of all strategies that may be employed. As such, we recommend that applicants fully consider the potential benefits and shortcomings of all available strategies before proceeding. The attorneys listed on this *Alert* are available to discuss the latest information and strategies related to accelerating review of patent applications under the Track One prioritized examination program.

### Notes

1 See "[USPTO to Issue Proposal for "Track One" Accelerated Patent Examination in Flexible 'Three Track' Patent Processing Program](#)," United States Patent and Trademark Office.

2 A final disposition is any of the following: mailing of a notice of allowance or a final office action, submission by the applicant of a notice of appeal to the Board of Patent Appeals and Interferences (BPAI), an interference declaration from the BPAI, filing by the applicant of a Request for Continued Examination (RCE), or abandonment of the application by the applicant.

3 See "[Patent Pendency Statistics – FY09](#)," United States Patent and Trademark Office.

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