August 13, 2010

The Honorable David J. Kappos
Under Secretary of Commerce for Intellectual Property
and Director of the United States Patent and Trademark Office (USPTO)
Mail Stop Comments
P.O. Box 1450
Alexandria, VA 22313-1450
Attention: Linda S. Therkorn
VIA E-mail

Re: IPO Comments on "Proposed Changes to Restriction Practice in Patent Applications," 75 Fed. Reg. 33584 (June 14, 2010)

Dear Under Secretary Kappos:

Intellectual Property Owners Association (IPO) respectfully submits the following comments pursuant to the USPTO's request for comments contained in its notice set forth at 75 Fed. Reg. 33584 (June 14, 2010). We appreciate this opportunity to comment, and would welcome further discussion with you on these matters.

IPO is a trade association representing companies and individuals in all industries and fields of technology who own or are interested in intellectual property rights. IPO's membership includes more than 200 companies and more than 11,000 individuals involved in the association either through their companies or law firms or as IPO individual members. Our members file about 30 percent of the patent applications filed in the USPTO by U.S. nationals.

IPO has consistently supported the introduction of the Unity of Invention Standard into USPTO practices (*see, e.g.*, IPO letter to Under Secretary Rogan, July 28, 2003). Accordingly, rather than address the six specific questions proposed by the USPTO in the current request for comments relating to restriction practice and explore individual aspects of improving restriction practice, IPO recommends that the USPTO consider a broad change to Unity of Invention practice similar to that utilized in the Patent Cooperation Treaty (PCT), for the reasons detailed below.

Analysis

Improved Efficiency through Application of a Single Standard

U.S. examiners already must use the PCT Unity of Invention standard on National Phase applications filed in the USPTO from PCT-originated applications, instead of following U.S. restriction practice. Thus, U.S. examiners should already be familiar with Unity of Invention practice. As the worldwide use of PCT continues to grow, the number of cases entering the U.S. as PCT National Phase applications also rises. Shifting continuously from Restriction Practice on certain cases to the Unity of Invention Standard on others is an unnecessary complication for examiners. Moreover, this shifting can lead to a blurring of the distinction

between the two standards and application of the incorrect standard. Patent quality and examination efficiency could thus both be improved through uniform application of the Unity of Invention standard to all applications.

Reduced Application Filings

In its effort to reduce backlog, the USPTO routinely revisits the need to reduce the number of extraneous applications. The Unity of Invention standard could greatly assist the USPTO in this goal in more than one respect. First, while the USPTO often focuses especially on reducing "rework" applications such as RCEs, divisional applications may also be considered "rework" applications, for the most part, as basically the same text must be reevaluated with each divisional filing. Moving to a Unity of Invention standard would alleviate this problem by focusing the examiner's attention a single time to address each aspect of the "same inventive concept." By rolling together related applications falling within a single inventive concept, the total number of examiner hours spent per inventive concept would be reduced. Second, under current restriction practice, rejections based upon "improper Markush Groups" lead to splintering the invention into many separate applications. This is burdensome to the applicant as well as the USPTO. Adoption of a Unity of Invention standard would solve this problem, simplifying prosecution for applicants seeking claims with Markush groups and/or nucleic acid or amino acid sequences.

Benefits for Applicants and Third Parties

Keeping claims relating to a single inventive concept in a single application is efficient for both the applicant and third parties. Usually, claims relating to the same inventive concept all address the same commercial embodiment. As such, keeping all those claims in a single U.S. patent would be more efficient and easier to manage for the applicant. And for third parties, it is easier to address the method and device claims relating to a single product in a single patent.

Enhanced Work Sharing

The USPTO and other patent offices around the world already understand the need for work sharing to avoid duplication of work and reduce backlogs. The USPTO already has a number of existing programs, and more proposed, to improve work sharing. But within the Patent Prosecution Highway ("PPH") program, studies show that most of the rejections issued by U.S. examiners after receiving allowed claims from foreign patent offices relate to the U.S. application of the Restriction Practice. These rejections and the attendant burdens on the examiners and delays to applicants unnecessarily impede effective use of the PPH. Because of the widespread international use of the Unity of Invention Standard, its adoption for all applications in the U.S. would allow the USPTO to maximize the potential value of work sharing. The new PCT PPH will only enhance these opportunities, given that the Unity of Invention standard will be applied to these cases during the PCT search and examination.

A Bold Step toward Harmonization

For the USPTO to adopt a common Unity of Invention standard similar to that utilized by virtually all of the other patent offices worldwide would be a bold step in jumpstarting harmonization. It would facilitate cooperative searches among patent offices, exchange of examiners, more uniformity in patent family claims, and, of course, increased work sharing benefits.

Other Considerations

Statutory Framework
Currently, 35 U.S.C. § 121 provides the basis for divisional applications. Section 121 recites that restriction may occur where "two or more independent and distinct inventions" are claimed in a single application. But the statute provides no guidance as to what constitutes "independent and distinct inventions." Nor have the courts provided one. As such, we believe the USPTO could change to a Unity of Invention standard along the lines of the PCT without any statutory modification needed. The issuance of U.S. patents from National Phase applications to which Unity of Invention is already applied illustrates that the Unity of Invention standard can fit within the current statutory framework. While § 121 would not require modification, implementation of a Unity of Invention Standard may necessitate other statutory changes, for example with regard to fees for search and examination. Fees could be addressed in other legislation aimed at improving USPTO funding, if needed.

Treaty Accommodation
In adopting a Unity of Invention standard along the lines of the PCT, some accommodation may be needed from the current Treaty. For example, divisional applications are not permitted under the PCT and, accordingly, when a separate invention is identified under the PCT Unity of Invention standard, the applicant is given a choice to maintain those claims in a single application and pay for a separate search or limit the application to only search one of these inventions. In other patent offices including EPO, JPO, and KIPO, where divisional practice is permitted and the Unity of Invention standard is applied, applicants have the opportunity to file such divisional applications rather than maintain them in the same application.

Implementation
Implementation of clear, precise guidelines and ongoing training programs for examiners will be critical to successfully shifting to a Unity of Invention standard for all patent applications.

Again, we appreciate the opportunity to comment on this important topic.

Sincerely,

Douglas K. Norman

Douglas K. Norman
President