

Highlights of Changes to the USPTO's 21st Century Strategic Plan

Since the USPTO's initial release of the 21st Century Strategic Plan on June 3, 2002, AIPLA, working in concert with other major user groups, specifically IPO, ABA/IPL Section, INTA and BIO, has continued to advocate changes in a number of the Plan's provisions. The full Plan is not available at the time this note is being posted, however, there are a number of important changes reflected in the published summary of the Plan. Among those changes are the following:

Patent Changes

- The revised Plan reveals that the USPTO will no longer seek a legislative change to enact a deferred examination system. Instead, the Plan envisions an "administrative alternative to deferred examination." This administrative alternative would require an initial fee that will cover "patent filing, search and examination . . . with provision for partial refund."
- The revised Plan reaffirms the USPTO's traditional 18-month pendency goal measured from "filing (under 35 U.S.C. 111(a)) to ultimate disposal" rather than from the filing of a request for examination. It acknowledges that "this goal will not be achieved in the near future" and currently estimates a "27 months overall patent pendency goal in fiscal year 2008." It offers as an alternative "a first Office action patent pendency of 14.7 months in fiscal year 2008" so that it can be made available "at the time of 18-month publication."
- The revised Strategic Plan continues to envision moving "to a multi-track examination process" to "reduce duplication of effort and decrease workload by relying on search results [from] other intellectual property offices." The revised Plan also continues its focus on achieving "greater examiner productivity by reducing the prior art search responsibilities" through reliance, in part, on private sector commercial search organizations. It notes, however, that the "USPTO will contract with [those organizations] in lieu of the previously proposed requirement for applicant-commissioned search reports."
- The revised Plan commits to demonstrating the feasibility of the various new concepts in the revised Plan "through elaborate testing and evaluation methods, most notably in the areas of outsourcing" prior art searches.
- The revised Plan omits a number of provisions that AIPLA and other users found particularly onerous, including "the requirement for mandatory Information Disclosure Statements." Instead, the USPTO will continue to rely on voluntary submissions by applicants.

- The revised Plan also states that the fee bill has been modified “to ensure that fees charged . . . are proportional to the increased processing costs” and to eliminate the surcharges for filing continuations and applications with patentably indistinct claims, thus eliminating excess claim and other fee proposals which AIPLA and others had found to be “punitive.” [An analysis of the proposed fee bill which was posted at <http://www.uspto.gov/web/offices/com/strat21/feebill.htm> on February 5, 2003, will be posted separately.]
- The revised Plan states that the USPTO will “conduct a study of the changes needed to implement a Patent Cooperation Treaty (PCT) style unity of invention standard in the United States. The study will be completed and appropriate legislation will be introduced before the end of the 108th Congress.”

Trademark Changes

- The revised Strategic Plan contemplates “an average 12-month total pendency” for trademarks which will be achieved by a “three-track examination system:” a conventional track for filing and prosecuting trademark applications in paper; a track with a reduced filing fee for filing applications electronically; and, a track in which filing and all prosecution will be by electronic processing with a yet further reduced filing fee and shorter pendency.

We expect that there will be many other changes in the USPTO’s Revised Strategic Plan and fee bill when they are released in the coming days, but we will await the opportunity to review their details before commenting. As indicated in our November 22, 2002 letter to the Office of Management and Budget, we are encouraged by what is being reported.

USPTO Fee Bill and Diversion

The President’s Budget proposes overall fee revenues for the USPTO (with the enactment of the new fee bill) of \$1.504 billion in FY 2004, with the USPTO receiving \$1.404 billion. The materials released with the budget argue the downward direction of diversion from that which was recommended in last year’s proposed budget is positive, and suggests that efforts are being made to eliminate diversion. This will be closely monitored in the days ahead.