

Accelerated Examination: A Second Look: Reconsidering the Benefits of the USPTO's New Accelerated Examination Program

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In August 2006 the United States Patent and Trademark Office (USPTO) established new procedures for accelerated patent examination,¹ which allow applicants to advance their applications out of turn for examination. Since the introduction of these procedures, many patent practitioners have expressed reservations about the program. Although the new procedures provide certain benefits that were not available through the pre-2006 accelerated examination procedures,² many believe that the requirements for filing a grantable petition to make special under the new accelerated examination (AE) program are so onerous and detrimental to the ensuing patent³ that it should simply not be used. This article refutes the “common wisdom” that AE should never be employed and provides a practical discussion of justifications and scenarios that weigh in favor of AE, many of which have gone heretofore underappreciated.

Numerous patent-savvy applicants, including major corporations, have reaped the benefits of the AE process, and the number of patent applications filed and successfully allowed under the AE program has grown steadily since its introduction in August 2006. By the end of the first fiscal year of the program in September 2007, 60 out of 82 AE applications reaching a final disposition were allowed (a 73.2% allowance rate).⁴ In 2008, AE filings were up 173% from 2007, with 345 out of 506 applications being allowed (a 68.2% allowance rate).⁵ The allowance rate between October 2008 and February 2009 increased to 80.3%.⁶

As with many aspects of patent prosecution, there is no one-size-fits-all answer for AE. Any determination about using the AE procedures should be reached after thoughtful consideration and a reasoned analysis of the implications of AE for a particular patent application. The following rationales for AE are offered as useful considerations, and they present an objective discussion of both the pros and cons of the program.

Speed

The most obvious advantage of using AE is its rightful descriptor of “accelerated.” The USPTO’s guidelines require applications that have successfully entered the accelerated examination program to receive a final disposition (a final action or an allowance) within 12 months of filing. The average time to final action or allowance of AE applications in fiscal year 2008 was 186 days, and the 12-month final disposition guideline has been consistently met throughout the lifetime of the AE program.⁷ The first AE application even received a notice of allowance exactly four months after filing.⁸

The 12-month total disposition guideline is only applied for AE applications that obtain a granted petition to make special on the first attempt. If any deficiencies exist in the AE documents initially submitted in support of the petition, the applicant will be allowed to correct those deficiencies by resubmitting the petition one time, but this will result in the loss of guarantee of a final disposition within 12 months. It is the authors’ experience, however, that successfully responding to a dismissed petition will only delay an application a maximum of two to three months because the USPTO remains committed to examining the application expeditiously. Thus, even applications that successfully enter the program after resubmitting an accelerated petition are very likely to receive a final disposition within 12 months.

The reason for the accelerated timeline of AE applications lies with the requirements placed on both the USPTO and the applicant. In addition to the USPTO’s internal deadlines, the deadline for an applicant to respond to a nonfinal office action is only one month, with no possibility of extensions. This provides the applicant and the examiner with incentives to quickly schedule interviews, propose responses, and move towards a disposition of the application in a timely fashion.

Establishing Patents for Startups

Although the AE program is utilized by a number of large corporations, startup companies may also obtain particular value from securing an issued patent within a short period of time. Quick patent protection may facilitate early-stage entities’ efforts to secure one or more rounds of funding and to establish an intellectual property portfolio. Also, startup companies frequently develop and generate a large number of patentable innovations at the beginning of their business life cycle.

Obtaining an issued patent or a family of issued patents often can be valuable for demonstrating to prospective investors the credibility of a startup company’s business plan, as well as for fast-tracking intellectual property protection of the company’s most proprietary and inventive technology. The sooner that a patent portfolio contains issued patents, the sooner competitors can be excluded from the scope of the patented inventions.

Further, it is particularly advantageous to obtain an AE patent for high-growth small business entities at their front-end, idea-forming stage. Startup companies are often willing to commit substantial nonmonetary resources to AE applications, such as time and heightened attention to detail, to carefully distinguish their technical innovations from the existing

prior art. This is particularly true when a small number of inventions and patent applications represent a substantial portion of the startup's value.

Patent Term

Another overlooked advantage of patents obtained from AE is the longer term that results from an issued patent. Although patents issued from the AE program are limited to the same 20-years-from-filing term as all other utility patents, a patent that issues more quickly under the AE program will spend much more of its 20-year life as an issued patent than as a pending application. For an invention protected by an issued patent for a longer duration, this means the potential of increased damages, the opportunity to seek injunctive relief at an earlier point in time, and more established recognition for an invention as a patented technology.

The advantages of a fast-issuing patent in a rapidly developing technology field such as computing or biotechnology should not be underestimated. An earlier issuing patent may also enable applicants to allocate resources towards monitoring and identifying infringers at a time when the technology field is developing most swiftly, rather than focusing those resources towards prosecuting the patent over an extended period of time.

Reduced Future Costs

The up-front expense that preparing an AE search and support document adds to a new application can vary. However, this additional cost is usually comparable to the cost of one or two typical office action responses during prosecution, and these additional up-front expenses may be mitigated, if not entirely offset, by a reduction in future expected expenses during the prosecution of the application. When an AE application effectively brings greater emphasis to the critical issues of novelty and nonobviousness from the beginning, then it is likely that a patent can be allowed with fewer office actions and with a corresponding reduction in the complexity of responses and the amount of attorney time devoted to office action analyses.

The cost of prosecuting future office actions is expected to decrease when the examiner has well-presented arguments in the AE support documents explaining how an invention is distinguishable from the most material known prior art at the outset of examination. This information will help the examiner understand specific points of novelty and avoid invention mischaracterizations that may otherwise appear in subsequent office actions. Additionally, examiner interviews *before* a first office action are common for AE applications. The guideline to conduct interviews during AE ensures access to the examiner early in the prosecution when a phone call may resolve issues more quickly than a lengthy and costly written response.

Preparing a fully completed application at the outset may also result in reducing other prosecution activities. The ultimate goal of the accelerated process, to ready the application in a condition for allowance at the time of filing, requires that all aspects of the application (such as a signed oath and formal drawings) are complete and ready for immediate consideration. This reduces the possibility that revisions to comply with formal requirements will be necessary.

Moreover, AE requirements direct additional scrutiny to the novelty of terms used within the patent claims and encourage applicants to use more precise terms and describe processes and structures in a more distinguishing way.

Litigation Friendly

When a patentee alleges infringement of a patent claim against a potential infringer, the accused infringer will typically attempt to establish invalidity of the claims by performing a detailed search of the prior art to uncover publications that are closer than those considered during prosecution and that may be used to invalidate the claims of the patent. The fact that a patent issued through the AE process is advantageous to the patentee because the patentee was required to perform a detailed pre-examination prior art search that was reviewed by the USPTO prior to granting the petition for accelerated examination. It is therefore less likely that a potential infringer performing an independent search will find prior art that is noncumulative and closer than that found by the patentee during the pre-examination. Accordingly, the likelihood that any of the issued claims will later be found invalid is reduced when the application was filed using the AE process.

Another benefit of AE in litigation is the ability to assert a recently filed patent application. Whereas some patent attorneys balk at the AE claim number limit, believing it permits too few claims and forces election of a single embodiment, the prelitigation strategy of drafting a claim that directly covers a competitor's device or method (and that may be quickly issued and asserted) may more than compensate for this restriction. Other practitioners have also recognized this benefit: "In a pre-litigation scenario, when a possible infringer has been identified, the applicant is in a unique position to know the device or method for which coverage is desired. Thus, the applicant can narrowly craft claims to cover the infringing device or method. Three independent claims and 20 total claims provide ample opportunity to claim such identified device or method."⁹

The AE process presents yet another benefit in a prelitigation setting when an applicant learns of a potential infringer shortly after filing a nonaccelerated application. Rather than filing a preliminary amendment in the nonaccelerated application, the applicant may draft claims that directly cover a competitor's device or method and file these claims in an AE application that claims priority to the previously filed nonaccelerated application. Because an AE application will

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receive a final disposition within 12 months from the date of filing, filing the application as a continuation under the AE program will likely result in an issued patent that may be asserted against the potential infringer prior to the issuance of the nonaccelerated parent application.

Capture Incremental Improvements

Another area in which the AE process may be well suited is when an application is intended to capture incremental improvements over the prior art. For instance, in technology areas that are crowded with prior art, there is minimal risk from admitting that certain claim limitations are taught by the prior art and focusing on the aspects of the invention that are novel and nonobvious improvements. If the applicant fully appreciates and understands the incremental improvement, the AE process allows the applicant to obtain patent protection on his or her contribution in a short time frame.

Some practitioners express concern that explicitly acknowledging that certain limitations are disclosed by the prior art, as required by the AE procedures, may result in diminished claim scope.¹⁰ As with the prosecution of any application, an applicant may relinquish subject matter during prosecution that cannot be reclaimed during subsequent litigation. However, a carefully drafted AE application ensures that only those elements that are clearly disclosed by the prior art are acknowledged as such, and the remaining elements can be included in separate limitations to avoid any such adverse admissions. Further, as discussed above, AE applications are often allowed with fewer written arguments and claim amendments than nonaccelerated applications, thereby serving to counterbalance the potential for surrendering subject matter by the filing of the AE documents.

Concerns regarding the characterization of prior art and making admissions are also greatly reduced when the closest prior art is the applicant's own patents. In this case, an applicant may find some comfort when making an admission in the support document regarding which features are taught in the prior art when the applicant's own patents include claims directed toward those features. Of course, applicants must always exercise caution when commenting on what his or her patents do and do not disclose, but by carefully crafting the statements characterizing the applicant's own prior art in the supporting documents, the applicant may place the focus on the true improvement without sacrificing the strength and integrity of his or her prior patents.

Affirmative Treatment by USPTO

Obtaining patent protection through the AE process forces applicants to carefully evaluate their inventions in view of the prior art before filing applications. Because the AE process requires that applicants conduct a thorough pre-examination search, characterize which limitations are taught by the prior art, and provide an explanation of patentability, by the time an AE application reaches an examiner, much of the examiner's work has already been completed. It is the authors' experience that, if this preliminary work by the applicant is done properly and effectively, examiners show a strong willingness to work together with applicants toward a notice of allowance.

Of course, examiners will still conduct an independent search and will only allow claims that they view as nonobvious over the prior art, but there appears to be a predisposition among many examiners to collaborate with filers of AE applications to move towards an allowance. When it is clear to an examiner that the AE documents are reliable and that the claims are not overly broad in light of the prior art, and the examiner is convinced that the best prior art has been found, an examiner will often either allow an AE application or work collaboratively with the applicant to advance the application. This is particularly true when the AE documents are thorough and set the proper cooperative tenor, which in turn goes a long way in establishing a cordial relationship with the examiner from the outset.

Better Patents and Claims

As a practical *ex parte* practice, many practitioners conduct at least one thorough patentability search and carefully craft the claims as broadly as possible with the benefit of having reviewed the prior art search results. This practice reduces the necessity for amendments and arguments during prosecution that may lead to prosecution history estoppel, and in some cases the practice eliminates this risk. Further, in the event a defendant asserts that the applicant's arguments during prosecution overstated the attributes of a claimed invention and constituted inequitable conduct, this practice helps minimize the need for applicants to make such statements and thereby reduces this risk. The benefits of this practice are also achieved with the AE procedures, where the applicant is sufficiently familiar with the prior art to effectively draft claims around it by preparing the broadest allowable claims at the time of filing.

Of course, applicants must also be cognizant of the potential risks raised by the AE procedures in order to properly assess whether they will yield a net benefit for an application. Like any other patent application, an applicant's conduct and statements made while preparing an accelerated application are subject to possible assertions of inequitable conduct during subsequent litigation. The Federal Circuit has found that a false statement that succeeds in expediting an application is material for purposes of assessing inequitable conduct,¹¹ and the court has rejected the position that inequitable conduct can only be established by a misrepresentation that bears on the patentability of the claims in an application.¹²

However, this warning should be put into context. The court also clarified that not all false statements or misrepresentations contained in a successful petition to make special are necessarily material because the proper evaluation is whether a false statement in a petition to make special was likely a "but-for" cause of the grant of the petition.¹³ If not, materiality is not present and inequitable conduct is not established. Moreover, the risk of inequitable conduct in an AE application can be managed by paying close attention to the conduct most likely to give rise to such risk, which includes: (1) failure to conduct a proper pre-examination search, (2) failure to cite or clearly identify the references deemed most closely related to the subject matter of the claims, and (3) false statements or mischaracterization of references.

As to the risk arising from failure to conduct a proper

pre-examination search, this is largely mitigated due to the USPTO's review of the applicant's search. An applicant is required to submit to the USPTO a pre-examination search statement that explicitly discloses the parameters of the search,¹⁴ thereby giving the USPTO a basis for assessing the adequacy of the search. Before a petition to make special for AE is granted, the USPTO reviews an applicant's pre-examination search criteria, and the USPTO will dismiss¹⁵ the petition initially if it deems the underlying search to be inadequate. It is unlikely that the USPTO will grant a petition to make special based on an insufficient search, and the USPTO's review is based on fully disclosed criteria. Therefore, it is unlikely that a pre-examination search will be an improper "but-for" cause of the grant of a petition to make special, and the risk of inequitable conduct for failure to conduct a suitable pre-examination search is therefore diminished.

Regarding the possibility of inequitable conduct for failure to cite or clearly identify the most relevant references, an applicant may likewise mitigate this risk. The AE requirements obligate an applicant to identify the references yielded by a search that are deemed most closely related to the subject matter of each of the claims.¹⁶ A potential pitfall for an applicant during subsequent litigation is an accusation that the applicant intentionally failed to identify a reference that the applicant knew to be "most closely related to the subject matter" of a claim. However, an applicant may readily temper this danger by erring on the side of identifying more references; when a reference may even arguably be closely related to the claimed subject matter, it may be identified to the USPTO as part of the AE documentation.

Finally, as to the risk of inequitable conduct due to false statements or mischaracterized references, this concern arises from the AE procedures that require an applicant to identify all limitations in the claims that are found in the identified references¹⁷ and to provide a detailed explanation of how the claims are patentable over the references.¹⁸ These requirements may be satisfied by exercising the same precision that is employed during normal prosecution practice. It is commonplace in regular prosecution for applicants to explain why pending claims are patentable over references, and patent practitioners routinely perform this task despite certain risks associated with such discussion of prior art. Moreover, because the initial characterization of references in an AE application is prepared by an applicant *before* an application is filed, the applicant may carefully craft each claim limitation in light of the references being discussed to ensure accuracy of the characterization.

Therefore, despite some risks AE may provide substantial countervailing benefits in the form of higher-quality patents. The value of minimized prosecution history estoppel, resulting from reducing expected claim amendments and arguments during prosecution, can be substantial. Likewise, the USPTO has promoted AE as yielding higher-quality patents due to the close interaction between the USPTO and applicants using AE procedures.¹⁹ An AE application provides focused and detailed information about an invention that is presented to an examiner in a consistent format, while the most inventive features of the invention are compared with

the closest prior art known to the applicant. As suggested by former USPTO Director Jon Dudas, "[t]his increased disclosure upfront by applicants helps examiners more efficiently make the correct decision about whether a claimed invention deserves a patent within the 12-month time frame."²⁰ These advantages are worthy of applicants' consideration.

Conclusion

Although the USPTO's new accelerated examination procedures will not suit every application, the program yields numerous benefits, many of which have gone underappreciated. Applicants will do themselves a favor by seriously considering those advantages. ■

Endnotes

1. See MANUAL OF PAT. EXAMINING PROCE. (MPEP) § 708.02(a) (8th ed., rev. 7, 2008) for program details.

2. Unlike the new accelerated examination procedures, under the pre-2006 procedures a grantable petition to make special did not expedite initial application processing or post-allowance publication and the USPTO had not stated any specific pendency reduction goal for the procedure. See U.S. Patent and Trademark Office, *Accelerated Patent Examination*, <http://www.uspto.gov/web/offices/com/strat21/action/aep10.htm>.

3. Under the new AE procedures, applicants must conduct a pre-examination search of the prior art, cite the references deemed most closely related to the subject matter of each of the claims, identify all limitations in the claims that are found in those references, and provide a detailed explanation of how the claims are patentable over the references. *Id.* There are additional requirements for AE, but they are more procedural than substantive and their impact is more straightforward to assess. These additional requirements include the following. (1) The fee is set forth in 37 C.F.R. § 1.17(h) must be paid; (2) the application, petition, and required fees must be filed electronically using EFS; (3) the application must contain no more than three independent claims and no more than 20 total claims, and the application may not contain any multiple dependent claims; (4) claims must be directed to a single invention and the applicant must agree to elect without traverse if the USPTO deems that the claims are not directed to a single invention; and (5) the applicant must agree to an interview with the examiner to discuss any issues arising in the examination process including the prior art.

4. U.S. Patent and Trademark Office, *Accelerated Examination Statistics, Status as of 2/5/09*, http://www.uspto.gov/web/patents/accelerated/ae_stat_charts.pdf [hereinafter *Accelerated Examination Statistics*].

5. *Id.*; U.S. PATENT AND TRADEMARK OFFICE, 2008 USPTO PERFORMANCE AND ACCOUNTABILITY REPORT 3, <http://www.uspto.gov/web/offices/com/annual/2008/2008annualreport.pdf>.

6. *Accelerated Examination Statistics, supra* note 4.

7. See Press Release, U.S. Patent and Trademark Office, USPTO 2008 Fiscal Year-End Results Demonstrate Commitment to Sustaining High Performance (Nov. 17, 2008), <http://www.uspto.gov/web/offices/com/speeches/08-42.htm>.

8. The first patent issued under the accelerated examination program, Pat. No. 7,188,939, was obtained by Brother Corporation for a printer ink gauge. It was issued five-and-a-half months after filing. The application for this patent was filed on September 29, 2006, and the patent was issued on March 13, 2007. See *USPTO Oversight Hearing: Before the Subcommittee on Courts, the Internet and Intellectual Property Committee on the Judiciary, U.S. House of Representatives*, 110th Cong. (Feb. 27, 2008) (Statement of Jon W. Dudas, Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office), <http://www.ogc.doc.gov/ogc/legreg/testimon/110s/Dudas022708.doc> [hereinafter Statement of Jon W. Dudas].

9. Devan Padmanabhan & Alicia Mills, *USPTO Accelerated Examination: A Pre-Litigation Strategy*, 8:10 PATENT STRATEGY & MGMT. (Mar. 2008).

10. See, e.g., *Mark I Mktg. Corp. v. R.R. Donnelley & Sons Co.*, 66 F.3d 285 (Fed. Cir. 1995) (patentee made statements in a petition to make special that distinguished the claimed process from several prior art references

that were cited in its accompanying search report; court held that patentee thereby surrendered claim coverage and affirmed district court's grant of summary judgment).

11. *Gen. Electro Music Corp. v. Samick Music Corp.*, 19 F.3d 1405, 1411 (Fed. Cir. 1994) (“[A] false statement in a Petition to Make Special is material if . . . it succeeds in prompting expedited consideration of the application.”).

12. *Scanner Techs. Corp. v. ICOS Vision Sys. Corp.*, 528 F.3d 1365, 1379 (Fed. Cir. 2008) (“[W]e must reject [the] view that inequitable conduct cannot be shown absent a misrepresentation that bears on the patentability of the claims in the application. When the setting involves a petition to make special, as is the case here, we reaffirm that a false statement that succeeds in expediting the application is, as a matter of law, material for purposes of assessing the issue of inequitable conduct.”).

13. *Id.* at n.3 (“We note that not all false statements or misrepresentations contained in a petition to make special are necessarily material even if the applicant succeeded in receiving expedited treatment for his or her application. Rather, in evaluating whether a false statement or misrepresentation in a petition to make special is material, a court must determine whether the false statement was likely a but-for cause of the grant of the petition. If not, a threshold level of materiality has not been established.”).

14. *See* MPEP § 708.02(a)(I)(H) (“At the time of filing, applicant must provide a statement that a preexamination search was conducted, including an identification of the field of search by United States class and subclass and the date of the search, where applicable, and for database searches, the

search logic or chemical structure or sequence used as a query, the name of the file or files searched and the database service, and the date of the search.”).

15. When the USPTO initially dismisses a petition to make special for AE, the USPTO explicitly identifies any additional classes/subclasses, databases, and keywords that the applicant must search for a grantable petition, and the applicant is given an opportunity to update the search and bring it into compliance with the USPTO's requirements.

16. *See* MPEP § 708.02(a)(1)(I)(1) (“An accelerated examination support document must include an information disclosure statement (IDS) in compliance with 37 CFR 1.98 citing each reference deemed most closely related to the subject matter of each of the claims.”).

17. *See* MPEP § 708.02(a)(1)(I)(2) (“For each reference cited, the accelerated examination support document must include an identification of all the limitations in the claims that are disclosed by the reference specifying where the limitation is disclosed in the cited reference.”).

18. *See* MPEP § 708.02(a)(1)(I)(3) (“The accelerated examination support document must include a detailed explanation of how each of the claims are [sic] patentable over the references cited with the particularity required by 37 CFR 1.111(b) and (c).”).

19. U.S. PATENT AND TRADEMARK OFFICE, PERFORMANCE AND ACCOUNTABILITY REPORT, FISCAL YEAR 2007, at 4, <http://www.uspto.gov/web/offices/com/annual/2007/2007annualreport.pdf>.

20. Statement of Jon W. Dudas, *supra* note 8.