THE IP MASTER CLASS WEBINAR SERIES

HOW TO WIN FRIENDS & INFLUENCE PATENT EXAMINERS

WEDNESDAY, JANUARY 24, 2018 @ 1:00PM (CT)

MEET THE PRESENTER

Garrett Hall

- Patent Attorney
- Patent prosecution and strategic patent portfolio development
- Emphasis on electronics and software technologies

SLW INSTITUTE
Building Extraordinary IP Assets

Patent Examiner Count System

- “If there is any one secret to success, it lies in the ability to get the other person’s point of view and see things from that person’s angle as well as from your own.” – *Henry Ford*

Patent Examiner Count System

AGENDA

- ✓ What?
- ✓ Why?
- ✓ How?
- ✓ What can we do about it?
- ✓ Questions

What is the Patent Examiner Count System?

- The Patent Examiner Count System is the methodology by which a patent examiner's production is measured.

- In lieu of having set time limits for each task, examiners' production goals are met by receiving "counts" that are accrued by completion of various tasks associated with the examination process. Each "count" correlates to a certain number of hours that are allotted to the corresponding task.

- Essentially the "minimum billable hours" for Examiners -> factors into bonuses, promotions, warnings, etc.

The Objectives

- “The key objectives of … the count system are to provide more overall time for examination and to place emphasis on complete and thorough initial examination, encourage quicker resolution of issues, and to reduce unnecessary rework.”

- USPTO attempts to promote efficient prosecution by awarding examiners with a higher percentage of credit at the beginning of prosecution.

The Objectives

- The Examiner Count System places a majority of the weight on the First Action on the Merits (FAOM) to encourage to perform the best search and provide the most relevant rejections when drafting the FAOM.

- Theoretically, if the examiner performs the majority of the work at the time of the FAOM, less time is needed to complete a final Office Action or issue a Notice of Allowance

“A Balanced Disposal”

- A “balanced disposal” occurs when an examiner examines an application from the first action through a “disposal action”

- A “disposal action” is any one of the following:
  - abandonment
  - allowance
  - RCE
  - examiner’s answer

“A Balanced Disposal”

- An examiner gets 2.0 counts for achieving balanced disposal on the first round of prosecution (i.e., before any RCEs have been filed):
  - 1.25 counts for performing the initial search and preparation of the FAOM;
  - 0.25 counts for issuing a final rejection; and
  - 0.5 counts for a disposal action
  - 0.0 counts for issuing subsequent non-final actions after FAOM

- This includes continuation and divisional applications

“A Balanced Disposal”

- The count system incentivizes examiners to reach agreements with Applicant to move the case to allowance without issuing an Final Office Action.
  - Examiner receives 0.75 counts (+1.25 for FAOM)
  - reflects the counts that the examiner would have received for issuing both the final rejection (0.25 counts) and the disposal (0.50 counts).

Subsequent RCEs

- Examiners receive less credit for FAOMs after RCEs:
  - 1st RCE: 1.0 for FAOM instead of 1.25
  - Balanced Disposal is 1.75 instead of 2.0
  - 2nd-Nth RCE: 0.75 for FAOM instead of 1.25
  - Balanced Disposal is 1.5 instead of 2.0

Contrasting Current System w/ Old System

Old System

Current System

Revisions to Count System

Current Count System Original Case (Non-RCE)			1st RCE			2nd & Subsequent RCEs			Current Counts	
FAOM	Final	All/Abn	FAOM	Final	All/Abn	FAOM	Final	All/Abn		
1.00		1.00							2	Original
1.00		1.00	1.00		1.00				2	1st RCE
1.00		1.00	1.00		1.00	1.00		1.00	2	2nd & Subsequent RCEs

Proposed Count System Original Case (Non-RCE)			1st RCE			2nd & Subsequent RCEs			Proposed Counts	
FAOM	Final	All/Abn	FAOM	Final	All/Abn	FAOM	Final	All/Abn		
1.25	0.25	0.5							2.00	Original
1.25	0.25	0.5	1.00	0.25	0.5				1.75	1st RCE
1.25	0.25	0.5	1.00	0.25	0.5	0.75	0.25	0.5	1.50	2nd & Subsequent RCEs

In proposed new count system, after an FAOM the examiner gets the remainder of counts (0.75) either by:

- Getting a Disposal (0.75) with no previous Final Rejection, or
- Doing a Final Rejection (0.25) then subsequently getting a Disposal (0.50)

Contrasting Current System w/ Old System

- With the current system examiners face diminishing returns by continuing to force unnecessary RCEs

- “The shifting of production credit towards the FAOM and time-credit for initiating substantive interviews, in combination with the other initiatives, should serve to diminish any incentive for prolonging examination or ‘churning’ applications.”

Regular Amended Docket v. Special New Docket

- Previously, RCEs placed on “Regular Amended” docket
  - Examiners have two months from the date the RCE is forwarded to them in order to act on the application
- Currently, RCEs placed on “Special New” docket
  - Examiners must act on the application having the oldest effective filing date at least every other pay period
  - Examiners should take-up applications that they believe are in condition for allowance without making them await their turn

Counting the Hours

- Hours of work time allowed per count based on complexity of technology and examiner's experience

- *expectancy / position factor = actual hours per disposal*
  - Expectancy is based on class of the technology (e.g., class 264 = 20.1 hrs)
  - Position factor is based on pay grade of examiner (e.g., GS-12: 1.0; GS-13: 1.15; GS-13: 1.25; GS-14: 1.3; GS-15: 1.4; GS-15: 1.5)

Counting the Hours - Example

- EX. 1 – Junior Examiner (GS-7)
  - 20.1 Hrs/ 0.7 = 28.7 hrs (14.4 per count)
- EX. 2 – Primary Examiner (GS-14)
  - 20.1 Hrs/1.35 = 14.9 hrs (7.5 per count)
- Junior Examiner has 92% more time than Primary Examiner

Extra Credit

- “Extra” credit for the following:
  - Restriction Requirement (mailed) – 1 hr
  - AFCP 2.0 Advisory Action - 3 hrs
  - Pre-Appeal conference - 1 hr
  - Interview - 1 hr
  - Training, Meetings, Personal/sick leave, holidays - varies

No Credit

- Restriction Requirement (over the phone)
- 2nd+ Consecutive Non-final or Final OA
- Advisory Actions

Periodic Evaluation of Production Levels

- USPTO operates on a four quarter fiscal year
  - Runs October 1 through September 30
  - Q1: OCT-DEC; Q2: JAN-MAR; Q3: APR-JUN; Q4: JUL-SEP

- Evaluation
  - Weekly - Production is measured in 80 hour biweeks
    - Minimum number of counts required = 80 hrs / (hours per count)
  - Quarterly - expected to maintain an average minimum production level at the end of each quarter.
  - Yearly - must have a minimum level of production at year end to avoid disciplinary action.

Added Incentives

- Examiners are eligible to receive performance based bonuses at the end of the fiscal year
  - bonuses provide financial compensation for those examiners who produce upwards of 110% of their expected production
  - increasing bonus sizes in five percent tiers up through 135%.

What's a Patent Practitioner To Do?

"**Arouse in the other person an eager want.** To get what we want from another person, we must forget our own perspective and begin to see things from the point of view of others. When we can combine our desires with their wants, they become eager to work with us and we can mutually achieve our objectives."

Dale Carnegie, How to Win Friends and Influence People

What's a Patent Practitioner To Do?

- Propose an RCE to the examiner in an interview after-final if you think you and the examiner are close to agreement
- Call Examiner to propose amendments and/or file amendments in RCE near end of quarter in difficult applications to get allowance
- Force Examiner to make a subsequent non-final rejection -> the examiner may be more likely to indicate some subject matter as allowable to garner an "easy" allowance count from the next response
  - Consider proposing amendment at this time to allow Examiner to avoid hassle of no count subsequent non-final

What's a Patent Practitioner To Do?

- Early narrow amendment -> Quick Allowance -> CON
  - Examiner can obtain 2.00 counts for the balance disposal on parent application, and a quick 1.25 counts on a first action on continuation application

- CON instead of 2nd RCE?
  - $1600 v. $1700; 1.25 counts for 1st NFOA V. .75 counts

QUESTIONS & DISCUSSION

Garrett Hall

ghall@slwip.com

(408) 660-2978

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