
DEPARTMENT OF COMMERCE

Patent and Trademark Office

37 CFR Part 1

[Docket No.: PTO-P-2010-0092]

RIN 0651-AC52

**Changes To Implement the Prioritized
Examination Track (Track I) of the
Enhanced Examination Timing Control
Procedures**

AGENCY: United States Patent and
Trademark Office, Commerce.

ACTION: Final rule.

SUMMARY: The United States Patent and Trademark Office (Office) is revising the rules of practice in patent cases to implement a procedure under which applicants may request prioritized examination at the time of filing of an application upon payment of appropriate fees and compliance with certain requirements. In June of 2010, the Office requested comments on a proposal to provide applicants with greater control over when their utility and plant applications are examined and to promote greater efficiency in the patent examination process (3-Track). The Office, in addition to requesting written comments, conducted a public meeting to collect input from the public. The vast majority of public comments and input that the Office received were supportive of the prioritized examination track (Track I) portion of the 3-Track proposal. While the Office is in the process of considering and revising the other portions of the 3-Track proposal in view of the public comments and input, the Office wishes to implement the prioritized examination track (Track I) now to provide the procedure for prioritized examination to applicants as quickly as possible. In February of 2011, the Office published a notice of proposed rule making to set forth the proposed procedure for prioritized examination and to seek public comments on the proposed procedure. The Office considered the public comments and revised the proposed procedure in view of the public comments. The Office, in this final rule, is revising the rules of practice to implement the optional procedure for prioritized examination. The aggregate goal for processing applications under prioritized examination is to provide a final disposition within twelve months of prioritized status being granted. The Office is initially limiting requests for prioritized examination to a maximum of 10,000 applications during the remainder of fiscal year 2011.

DATES: *Effective Date:* The changes set forth in this rule are effective May 4, 2011. *Applicability date:* A request for prioritized examination may be submitted with any original utility or plant application filed on or after May 4, 2011.

FOR FURTHER INFORMATION CONTACT: Eugenia A. Jones, Kathleen Kahler Fonda, or Michael T. Cygan, Office of Patent Legal Administration, Office of the Associate Commissioner for Patent Examination Policy, by telephone at (571) 272-7727, (571) 272-7754 or (571) 272-7700, or by mail addressed to: Mail Stop Comments Patents, Commissioner

for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, marked to the attention of Eugenia A. Jones.

SUPPLEMENTARY INFORMATION: In June 2010, the Office requested comments from the public on a proposal to provide applicants with greater control over when their original utility or plant applications are examined and promote work sharing between intellectual property offices (3-Track). See *Enhanced Examination Timing Control Initiative; Notice of Public Meeting*, 75 FR 31763 (June 4, 2010), 1355 *Off. Gaz. Pat. Office* 323 (June 29, 2010). Specifically, the Office proposed to implement procedures under which an applicant would be able to: (1) Request prioritized examination of an original utility or plant nonprovisional application (Track I); (2) request a delay in docketing the application for examination by filing a request for delay in payment of the search fee, the examination fee, the claims fees and the surcharge (if appropriate) for a maximum period not to exceed thirty months in an original utility or plant application filed under 35 U.S.C. 111(a) (Track III); or (3) obtain processing under the current examination procedure (Track II) by not requesting either Track I or Track III processing. The Office, in addition to requesting written comments, conducted a public meeting to collect input from the public. The vast majority of public comments and input that the Office received was supportive of the prioritized examination track (Track I) portion of the 3-Track proposal. While the Office is in the process of considering and revising the Track III proposal (a request for a delay in docketing the application for examination) in view of the public comments and input, the Office wishes to implement the prioritized examination track (Track I) now to provide the optional procedure for prioritized examination to applicants as quickly as possible.

In February of 2011, the Office published a notice of proposed rule making to set forth the proposed procedure for prioritized examination and to seek public comments on the proposed procedure. See *Changes to Implement the Prioritized Examination Track (Track I) of the Enhanced Examination Timing Control Procedures*, 76 FR 6369 (Feb. 4, 2011), 1364 *Off. Gaz. Pat. Office* 50 (March 1, 2011). The Office proposed, among other changes, a fee for filing a request for prioritized examination under 37 CFR 1.102(e) in the amount of \$4,000, in addition to filing fees for the application. Since the majority of the

public comments supported the optional prioritized examination procedure, the Office is adopting the proposed procedure for prioritized examination (Track I).

The Office, in this final rule, is revising the rules of practice to implement the optional procedure for prioritized examination. The aggregate goal for processing applications under prioritized examination is to provide a final disposition within twelve months of prioritized status being granted. The Office is limiting requests for prioritized examination under 37 CFR 1.102(e) to a maximum of 10,000 applications during fiscal year 2011. The Office will revisit this limit at the end of fiscal year 2011 to evaluate what the appropriate maximum should be, if any, for future years.

The fee for filing a request for prioritized examination under 37 CFR 1.102(e) is set at \$4,000.00. The fees due on filing for an application for which prioritized examination is being sought are the filing fees (including any applicable excess claims and application size fees), the prioritized examination fee, processing fee, and publication fee. Therefore, the fee amount due on filing for a utility application for which prioritized examination is being sought (not including any applicable excess claims and application size fees) is \$5,520 (\$4,892 for a small entity): (1) The \$1,090 (\$462 small entity) in filing fees which include the \$330 (\$82 small entity filing by EFS-Web) basic filing fee, the \$540 (\$270 small entity) search fee, and the \$220 (\$110 small entity) examination fee; (2) the \$4,000 prioritized examination fee; (3) the \$130 processing fee; and (4) the \$300 publication fee.

Under the Office's current statutory authority, the Office is not permitted to reduce the prioritized examination fee for small entity applicants. The Office indicated in the notice of proposed rule making that if legislation is passed providing a fifty percent fee reduction for providing prioritized examination for small entities under 35 U.S.C. 41(h)(1) and providing that the prioritized examination fees be set to recover the estimated cost of the prioritized examination program, the Office would set the prioritized examination fee at \$4800 (\$2400 for small entities), since 27.8 percent of the new serialized utility and plant applications filed in fiscal year 2010 were by small entities (based upon data from the Office's Patent Application Locating and Monitoring (PALM) system). See *Changes to Implement the Prioritized Examination Track (Track I)*

of the Enhanced Examination Timing Control Procedures, 76 FR at 6370, 1364 *Off. Gaz. Pat. Office* at 51. Section 9(i) of the America Invents Act provides that “[t]he Director shall reduce fees for providing prioritized examination of utility and plant patent applications by 50 percent for small entities that qualify for reduced fees under section 41(h)(1) of title 35, United States Code, so long as the fees of the prioritized examination program are set to recover the estimated cost of the program,” and § 9(j) of the America Invents Act provides that this change is effective on the date of enactment of S. 23. See S. 23, 112th Cong. (2011). S. 23 was passed by the United States Senate on March 8, 2011. Neither S. 23 nor any other legislation, however, has been enacted that provides fifty percent fee reduction for providing prioritized examination under 37 CFR 1.102(e) for small entities. If S. 23 is enacted into law, the fee for providing prioritized examination under 37 CFR 1.102(e) will be \$4,800 (\$2,400 for small entities) and these fee amounts will be applicable to any request for providing prioritized examination filed on or after the date of enactment of S. 23. Thus, if S. 23 or similar legislation that provides a fifty percent fee reduction for prioritized examination for small entities is enacted into law, the fee amount due on filing for a utility application for which prioritized examination is being sought (not including any applicable excess claims and application size fees) is \$6,320 (\$3,292 for a small entity): (1) The \$1,090 (\$462 small entity) in filing fees which include the \$330 (\$82 small entity filing by EFS-Web) filing fee, the \$540 (\$270 small entity) search fee, and the \$220 (\$110 small entity) examination fee; (2) the \$4,800 (\$2,400 small entity) prioritized examination fee; (3) the \$130 processing fee; and (4) the \$300 publication fee.

Under prioritized examination, an application will be accorded special status and placed on the examiner’s special docket throughout its entire course of prosecution before the examiner until a final disposition is reached in the application. The aggregate goal for handling applications under prioritized examination is to provide a final disposition within twelve months of prioritized status being granted. The final disposition for the twelve-month goal means:

(1) Mailing of a notice of allowance, (2) mailing of a final Office action, (3) filing of a notice of appeal, (4) declaration of an interference by the Board of Patent Appeals and Interferences (BPAI), (5) filing of a request for continued

examination, or (6) abandonment of the application, within twelve months from the date prioritized status has been granted. An application under prioritized examination, however, would not be accorded special status throughout its entire course of appeal or interference before the BPAI, or after the filing of a request for continued examination.

Unlike the accelerated examination program, the time periods set in Office actions for applications in Track I would be the same as set forth in section 710.02(b) of the *Manual of Patent Examining Procedure* (MPEP) (8th ed. 2001) (Rev. 8, July 2010). In the event, however, an applicant files a petition for an extension of time to file a reply, the prioritized examination of the application will be terminated. In addition, filing a request for a suspension of action or an amendment to the application which results in more than four independent claims, more than thirty total claims, or a multiple dependent claim, prioritized examination will terminate.

To maximize the benefit of prioritized examination, applicants should consider one or more of the following: (1) Acquiring a good knowledge of the state of the prior art to be able to file the application with a clear specification having a complete set of claims from the broadest to which the applicant believes he is entitled in view of the state of the prior art to the narrowest to which the applicant is willing to accept; (2) submitting an application in condition for examination; (3) filing replies that are completely responsive to the prior Office action and within the shortened statutory period for reply set in the Office action; and (4) being prepared to conduct interviews with the examiner. A description of what it means for an application to be in condition for examination is provided at MPEP § 708.02(a) (subsection VIII.C).

The requirements for requesting prioritized examination are summarized below. A patent application may be granted prioritized examination status under the following conditions:

(1) The application must be a new original utility or plant nonprovisional application filed under 35 U.S.C. 111(a) on or after May 4, 2011, the effective date of this final rule. The procedure for prioritized examination does not apply to international applications, design applications, reissue applications, provisional applications, and reexamination proceedings. Applicants may request prioritized examination for a continuing application (e.g., a continuation or divisional application) by filing a request and the required fees

including the \$4,000 prioritized examination fee. However, a continuing application will not automatically be given prioritized examination status based on the request filed in the parent application. Each continuing application must on its own meet all requirements for prioritized examination under 37 CFR 1.102(e).

(2) The application must be complete under 37 CFR 1.51(b) including any excess claims fees paid on filing, and the application must be filed via the Office’s electronic filing system (EFS-Web) if it is a utility application. Thus, the application must be filed with an oath or declaration under 37 CFR 1.63, the basic filing fee, the search fee, the examination fee, any excess claims fees, and any application size fee.

(3) The application must contain no more than four independent claims and no more than thirty total claims. The application must not contain any multiple dependent claims.

(4) The request for prioritized examination must be filed with the application in compliance with 37 CFR 1.102(e) accompanied by the prioritized examination fee set forth in 37 CFR 1.17(c), the processing fee set forth in 37 CFR 1.17(i), and the publication fee set forth in 37 CFR 1.18(d). Applicants are advised to use the certification and request form PTO/SB/424 which is available on EFS-Web.

(5) The request for prioritized examination may be accepted if the requirements under 37 CFR 1.102(e) are satisfied and the limit for the number of requests for the year has not been reached. The Office is limiting requests for prioritized examination under 37 CFR 1.102(e) to a maximum of 10,000 applications during fiscal year 2011. The Office will revisit this limit at the end of fiscal year 2011 to evaluate what the appropriate maximum should be, if any.

Discussion of Specific Rules

Title 37 of the Code of Federal Regulations, Part 1, is proposed to be amended as follows:

Section 1.17: The Office is implementing a procedure for prioritized examination (Track I) upon applicant’s request and payment of a fee at the time of filing of the application, without meeting the requirements of the accelerated examination program (e.g., examination support document). See § 1.102(e). Section 1.17(c) is amended to set the fee for filing a request for prioritized examination under § 1.102(e) at \$4,000.00. Section 1.17(i) is amended to add a reference for requesting prioritized examination of an application under § 1.102(e).

Section 1.102: Section 1.102 is revised to provide for the Track I procedure in which applicant has the option to request prioritized examination on the date the application is filed. Particularly, § 1.102(a) is revised by adding a reference to paragraph (e) so that applications may be advanced out of turn for examination or for further action upon filing a request under § 1.102(e). Section 1.102(e) is added to set forth the requirements for filing a request for prioritized examination, which provides that a request for prioritized examination will not be granted unless: (1) The application is an original utility or plant nonprovisional application filed under 35 U.S.C. 111(a) that is complete as defined by § 1.51(b), with any fees due under § 1.16 (the filing fee, search fee, examination fee, any applicable excess claims fee, and any applicable application size fee) paid on filing; (2) the application is filed via the Office's electronic filing system (EFS-Web) if it is a utility application; (3) the request for prioritized examination, including the prioritized examination fee set forth in § 1.17(c), the processing fee set forth in § 1.17(i), and the publication fee set forth in § 1.18(d) are present upon filing; and (4) the application contains or is amended to contain no more than four independent claims, no more than thirty total claims, and no multiple dependent claims. Because plant applications may not be filed via EFS-Web, the Office will accept a request for prioritized examination in paper when it accompanies the filing of a plant application.

As discussed previously, a request for prioritized examination may be accepted if the requirements under § 1.102(e) are satisfied and the limit for the number of requests has not been reached. The Office is limiting requests for prioritized examination under § 1.102(e) to a maximum of 10,000 applications during the remainder of fiscal year 2011. The Office will revisit this limit at the end of fiscal year 2011 to evaluate what the appropriate maximum should be, if any.

Response to Comments: In February of 2011, the Office published a notice of proposed rule making to set forth the proposed procedure for prioritized examination and to invite the public to submit written comments on the proposed procedure by March 7, 2011. See *Changes to Implement the Prioritized Examination Track (Track I) of the Enhanced Examination Timing Control Procedures*, 76 FR 6369 (Feb. 4, 2011), 1364 *Off. Gaz. Pat. Office* 50 (March 1, 2011) (notice of proposed rule making). The Office received twelve

written comments from intellectual property organizations, industry, academic and research institutions, individual patent practitioners and the general public. The Office has considered all of the public comments that were received by March 7, 2011. The comments germane to the changes set forth in this notice for prioritized examination and the Office's responses to those comments are provided below.

Comment 1: A few comments indicated that the Track I proposal has merit, but should be implemented and maintained only if the Office is permitted to retain all the fee income generated by applicants seeking Track I status. One comment believed it is premature for the Office to be implementing a rule making that depends on increased spending authority, given the uncertain status of the Office's budget. The comment was concerned that all fees collected by the Office are still not made available to the agency in the current fiscal year and Congress has not authorized a budget that would permit the Office to retain any fees collected under the prioritized examination program. One comment was concerned about the ability of the Office to offer prioritized examination under the Track I program without delaying examination of non-prioritized applications, particularly since the Office will not have any additional resources to conduct prioritized examination of Track I applications at least until it is able to hire and train additional examiners, which it may not be able to do under current budget and hiring restrictions.

Response: Track I prioritized examination is being implemented as a result of a discussion between the Office and its stakeholders, which has included requests for written comments and a public meeting. The vast majority of public input is supportive of prioritized examination, which is designed to provide important benefits to the Office and its stakeholders, including greater control to applicants as to when their utility and plant applications are examined, and greater efficiency in the patent examination process. In view of this widespread support, the Office wishes to implement the procedure so as to provide the procedure to applicants as quickly as possible. The President's Fiscal Year 2012 Budget Request for the Office includes the revenue that is expected to be generated by the prioritized examination program. The Office appreciates that implementation of the Track I program could have an effect on the examination of non-prioritized applications during fiscal year 2011 due

to the current budget situation and its impact on the Office's ability to hire new examiners, but any effect should not extend into future fiscal years.

Comment 2: One comment stated that the separate processing fee of \$130 under § 1.17(i) should be eliminated if already covered by the \$4,000 fee set by proposed § 1.17(c). If the processing fee is not covered, then for the sake of clarity there should be one fee of \$4,130 set by proposed § 1.17(c), and the § 1.17(i) fee should be eliminated.

Response: The processing fee is for processing the request for prioritized examination, which is separate and apart from the prioritized examination cost. The Office is tracking the fees separately and thus treating them as two different fees.

Comment 3: One comment stated that the publication fee under § 1.18(d) should not be required from an applicant as an up-front fee because the application might never publish or issue as a patent.

Response: The publication fee under § 1.18(d) is being required as a condition of the Track I program. If an applicant can make the certification required by 35 U.S.C. 122(b)(2)(B)(i) and § 1.213(a), the applicant may request nonpublication under 35 U.S.C. 122(b)(2)(B)(i) in an application in which a request for prioritized examination is also being filed. However, the publication fee is still required to be paid on filing of the application. Applicant may file a nonpublication request upon filing of the application and the nonpublication request may be rescinded at any time. Submission of the publication fee set forth in § 1.18(d) at the time of filing will save time and reduce costs for the Office. If the application is not published as a patent application publication and the application issues as a patent, the applicant may request a refund of the publication fee in accordance with MPEP § 1126.

Comment 4: One comment requested clarification regarding whether the publication fee under § 1.18(d) and the processing fee under § 1.17(i) were required to be paid on filing to participate in the Track I program, or whether the fees are only required if they are applicable. The comment requested clarification regarding the nature of the processing fee and questioned whether the processing fee was required only if early publication was requested.

Response: Both the publication fee under § 1.18(d) and the processing fee under § 1.17(i) are required to be paid at the time of filing by any applicant requesting prioritized examination

under § 1.102(e). The processing fee is for processing the request for prioritized examination. It is not a fee for requesting early publication.

Comment 5: A few comments indicated that the fee for prioritized examination is too high. One comment stated that the fee should not exceed patent application fees and thus should be less than one thousand dollars. If the fee does significantly exceed patent application fees, then a greater benefit should be given such as a three-month time period from the request until the final examination result. One comment stated that the Office has not explained whether it would cost \$4,000 more to examine a prioritized application than a regular application, or whether the fee is for the purpose of supporting more examiners to examine all applications.

Response: As stated in the notice of proposed rule making, the prioritized examination fee is set based on the estimated average cost to the Office of performing the service, per 35 U.S.C. 41(d)(2). A prioritized examination fee that is less than one thousand dollars would not recover the full cost of the necessary resources to increase the work output of the Office without delaying non-prioritized applications. Based on the Office's experience with other accelerated examination programs, the Office would not be able to provide a final examination result within the suggested three-month time period.

Comment 6: Some comments appreciated the statutory limitation on applying fee discounts for small entities, and the fact that such fees are used to hire new examiners, but hoped that such discounts can be implemented in order to make the use of Track I examination more achievable for academic, small business, and other small entity applicants. One comment urged the Office to continue seeking authority to apply small and micro entity fees to the prioritized examination procedure.

Response: The Office appreciates the benefits of the fee reductions currently available to small entities under 35 U.S.C. 41(h)(1), and will continue to seek additional fee setting authority that will permit extension of fee reduction to the prioritized examination fee. As noted in the notice of proposed rule making, the Office has determined an alternate fee structure, should fee reduction be extended to the Track I fee. Upon extension of fee reduction to Track I prioritized examination, the Office would set the prioritized examination fee at \$2,400 for small entities, and \$4,800 for other entities, in accordance with cost recovery based upon fiscal year 2010 data indicating

that 27.8 percent of new serialized utility and plant applications were by small entities.

Comment 7: A few comments indicated that the Track I proposal has merit, but should be implemented and maintained only so long as the program does not adversely impact other patent applicants. One comment was concerned that prioritized examination would promote even further delays in the examination of requests for continued examination since requests for continued examination are currently placed on the examiner's "Special New" application docket, but not eligible for prioritized examination.

Response: The fee for prioritized examination has been calculated to ensure recovery of the full cost of the resources necessary to handle Track I applications without the need to divert resources from non-prioritized applications. As discussed previously, the Office appreciates that implementation of the Track I program could have an effect on the examination of non-prioritized applications during fiscal year 2011 due to the current budget situation and its impact on the Office's ability to hire new examiners, but any effect should not extend into future fiscal years. The prioritized examination program will not further delay the examination of requests for continued examination. Examiners will still be responsible for acting on requests for continued examination in the same time frame.

Comment 8: The Office received three comments regarding restriction requirements in Track I applications. The first comment suggested that examiners should be instructed to make restriction requirements by phone whenever possible and to invite a discussion of the restriction requirement at the time it is made with a view to reaching a consensus with the applicant. The second comment stated that Track I participants should be permitted to traverse restriction requirements. The third comment stated that petitions from restriction requirements in Track I cases should be handled expeditiously such that if the petition decision results in withdrawal of the restriction requirement, the examiner is still able to reach final disposition of the case within the twelve-month target.

Response: Telephone restriction practice is encouraged whenever possible, in accordance with MPEP § 812.01. An applicant who disagrees with a requirement for restriction may traverse in accordance with § 1.143. An applicant's decision to opt-in to prioritized examination has no bearing

on restriction practice. Although traversal of a restriction requirement will not terminate the prioritized examination, the benefit to the applicant of a quick examination will be enhanced if such traversals can be avoided. Petitions from requirements for restriction are governed by § 1.144. To ensure prompt consideration of any such petition, applicant should promptly file the petition as soon as the restriction requirement has been made final.

Comment 9: One comment stated that the Office should provide Track I applicants with a notice as to whether or not Track I status has been granted and the reasons for any denial of Track I status.

Response: The Office will notify a Track I applicant of the grant or dismissal of the request for prioritized examination of the application. If the request is denied, the Office will state the reason.

Comment 10: One comment suggested that the language "an original or continuing utility * * * nonprovisional application" should be used in the proposed § 1.102(e) rather than "an original utility * * * nonprovisional application" in order to indicate that continuing applications (continuations, divisionals, and continuations-in-part) with appropriate filing dates are eligible for Track I. Another comment requested clarification regarding whether continuing applications would qualify for prioritized examination and suggested a revision to proposed § 1.102(e) to exclude continuation or divisional applications since it appeared the intent was to limit the rule to first filed utility and plant applications.

Response: The term "original" as used in the patent statute and rules means any application that is not a reissue application. Original applications include first filings as well as continuing applications. See MPEP § 201.04(a). Thus, the suggested revision to add a reference to "continuing" applications would introduce a redundancy into the language of the rule. Likewise, the suggested revision to exclude continuation and divisional applications is not being adopted since the rule is applicable to continuing applications.

Comment 11: One comment stated that a request for prioritized examination should be permitted when an international application enters the national stage under 35 U.S.C. 371.

Response: Because it is necessary to limit requests for prioritized examination at least during the first year, applications entering the national stage under 35 U.S.C. 371 are not

eligible. The Office may reconsider this decision in future years. An applicant who has filed an international application may choose to participate in prioritized examination by filing a bypass continuation under 35 U.S.C. 111(a) rather than entering the national stage under 35 U.S.C. 371.

Comment 12: One comment stated that a request for prioritized examination status should be permitted when a request for continued examination is filed under § 1.114, regardless of whether a request for prioritized examination was previously granted in the application. One comment stated that, in an application already granted Track I status, upon filing a request for continued examination the applicant should be given the opportunity to continue the Track I status by the payment of an additional fee.

Response: A request for continued examination is not a new application. In accordance with § 1.114, an applicant cannot request continued examination of an application until prosecution is closed. Furthermore, an application in which a request for continued examination has been filed is placed on an examiner's "Special New" docket. *See Notice of Change to Docketing of Requests for Continued Examination, 1348 Off. Gaz. Pat. Office 254 (November 10, 2009).* The application on this docket having the oldest effective filing date must be taken up for action within two bi-weeks. Thus, when a proper request for continued examination is filed, the application has already undergone examination, and will continue to be treated in an expedited manner relative to new non-continuing applications, but not under the provisions for prioritized examination.

Comment 13: One comment indicated that unexamined applications with the greatest pendency should be given preferential access to the Track I program.

Response: The Office has undertaken an initiative to address the issue of unexamined applications that have been pending for a long time. Current examination resources are being reallocated within and across Technology Centers to start examination of the oldest unexamined applications, with no requirement of additional fees by the applicant. Prioritized examination is a separate initiative for newly filed applications in which applicants may pay an additional fee, which is used by the Office to expand its examination resources. Prioritized examination must be requested upon filing. If an application is pending, the

applicant may file a continuing application and request prioritized examination for the new application. This approach ensures equitable treatment for all applicants who seek to participate in the Track I program in view of the limit of 10,000 applications during fiscal year 2011.

Comment 14: A few comments stated that a request for prioritized examination should not be limited to when a patent application is filed. Some comments stated that this would result in applicants filing continuation applications to take advantage of Track I, which will increase the workload of the Office and the applicants. A few comments supported permitting applicants to request prioritized examination with respect to all pending, unexamined applications. One comment suggested requiring a reasonably higher fee for requesting prioritized examination after the patent application has been filed. Another comment supported permitting a request for prioritized examination to be filed at any time.

Response: In recognition of the necessity of adding additional resources so that non-prioritized examination will not be delayed and that prioritized examination will occur within one year, the Office is implementing prioritized examination in a prudent and measured manner. The Office will reevaluate the limitations on prioritized examination based on the results of its initial implementation and after it gains experience with the Track I program. While applicants may file continuing applications at their discretion, any Track I continuation application filed may moot or reduce the issues remaining in the originally filed application. This may result in abandonment of the originally filed application; alternatively, its examination will be aided by the substantial examination performed on the Track I continuing application.

Comment 15: One comment stated that a request for prioritized examination should be permitted for reissue applications to apply the data-driven performance monitoring of Track I to reissue applications.

Response: Reissue applications are already treated as special applications. *See MPEP § 1442.* If the Office were to make prioritized examination available to reissue applications, it would not have any impact on when the examiner is expected to take the application up for action. The Office recognizes that there is a need to better track and monitor the various types of special applications, including reissue applications, and is working on

improvements to its tracking and monitoring system as part of its Patents End-to-End Information Technology (IT) project.

Comment 16: One comment suggested that applicants should be permitted to pay the appropriate fees or otherwise make the application complete after filing of the application. The comment noted that applicants are familiar with and rely on missing parts practice to complete applications before they are placed in the examination queue and there appears to be no compelling reason to deviate from this practice for prioritized examination.

Response: Applicants requesting prioritized examination are required to file applications that are complete. If applicants requesting prioritized examination were allowed to file applications that were not complete, it would delay examination of the application, which is directly counter to providing a final disposition of the application in the shortest time possible. In addition, as the Office is initially limiting requests for prioritized examination, the Office considers it appropriate to give priority to applicants whose applications are complete on filing over applicants whose applications require the delays caused by the missing parts practice.

Comment 17: One comment questioned whether the Office will set an annual limit on the number of Track I applications a given applicant can file. One comment questioned whether the Office will set an annual limit on the number of Track I applications per Technology Center.

Response: The Office is not setting an annual limit on the number of requests for prioritized examination that a given applicant can file. The Office is also not setting an annual limit on the number of applications that can be granted Track I prioritized examination per Technology Center. The Office will monitor the Track I program closely. If it is determined that an annual limit is needed per applicant and/or per Technology Center, the Office may make such adjustments to the program in the future.

Comment 18: A few comments indicated that statistics should be published on the number of requests received as well as the aggregate time to final disposition at the greatest level of granularity practical (e.g., the Group Art Unit level or the Technology Center level). One comment stated that the Office should closely monitor which technological areas are using Track I and minimize any imbalances in the backlog of different technology areas.

A few comments indicated that, for each statistic reported, the data should indicate the numbers of small entity and non-small entity applicants. Such information could potentially be used to advocate for reduced fees for small entities.

One comment stated that in order to ensure that non-prioritized applications and overall examination quality are not being impacted, detailed metrics must be provided to the public, including metrics on pendency, quality, and hiring measured against the Office's current stated goals. The comment suggested that the Office could include the composition of examiners (by GS-level) examining applications in each track to further protect against any track bias.

Response: The Office is committed to providing meaningful statistical reports on the Track I program with as much specificity as is practical. The Office will closely monitor the program and make any needed adjustments. The Office favors reduced fees for small entities and, wherever possible, will develop statistical reports to identify the numbers of small entity and non-small entity applicants to support any such legislation.

The ability of the Office to meet its goals for prioritized examination will be posted on the Office's Internet Web site on a quarterly basis at the work group level. Applications examined under Track I will be subject to the same quality metrics applied to applications undergoing non-prioritized examination. Data relating to prioritized examination will be made public to the extent practicable; e.g., to the extent that such data is not linked to any specific application and to the extent that the pertinent sample size for a subgroup of data provides a statistically valid basis for reporting such data for that subgroup.

Comment 19: One comment stated that a final action on an application for which prioritized examination has been requested should be made within a couple of months instead of twelve months.

Response: The Office is setting an aggregate goal of twelve months to final disposition based on its perceived ability to meet the goal. Based on the Office's experience with other accelerated examination programs, the Office would not be able to meet an aggregate goal for handling applications under prioritized examination of two or three months to final disposition.

Comment 20: One comment suggested that the filing of an appeal brief, rather than the filing of a notice of appeal, should trigger the termination of

prioritized examination because sometimes a notice of appeal is filed to maintain pendency of an application while the examiner considers an after-final response.

Response: The final disposition for the twelve-month goal includes the mailing of a final Office action. In the situation where an applicant files a notice of appeal after a second non-final Office action, the final disposition will include the filing of the notice of appeal. Thus, once a final Office action has been mailed or a notice of appeal has been filed, whichever is earlier, the examination of the application would no longer be prioritized under § 1.102(e). Therefore, there is no need to make the filing of an appeal brief the final disposition for purposes of the twelve-month goal, rather than the filing of a notice of appeal, to accommodate the situation where an applicant files a notice of appeal to maintain pendency of the application while the examiner considers an after-final reply.

Comment 21: One comment requested a relaxation of the limits on the number of claims so that the prioritized examination program would be accessible to more users, although no suggestion was made as to what the claim limit should be.

Response: In recognition of the necessity of adding additional resources so that non-prioritized examination will not be delayed and that the twelve-month aggregate goal for prioritized examination can be achieved, the Office is implementing prioritized examination in a prudent and measured manner. The Office will revisit the limitations on prioritized examination based on the results of its initial implementation.

Comment 22: One comment stated that the limit on claims would result in an applicant being unable to amend the claims to place them in independent form after a final rejection where dependent claims were found allowable. According to the comment, applicants would either have to file an appeal or do without the full protection to which they are entitled. The comment stated that there should not be a limit on how many claims may be placed in independent form during prosecution. Another comment suggested permitting addition of claims once allowable subject matter has been identified, provided that the added claims do not require further search or examination.

Response: Track I is designed to provide prioritized examination of the application; as such, it is directed towards substantive examination of claims for which no final disposition has been reached. Accordingly, prioritized examination accords a

special status to the application until a final disposition is reached in the application. As discussed previously, a final disposition for the twelve-month goal means: (1) Mailing of a notice of allowance, (2) mailing of a final Office action, (3) filing of a notice of appeal, (4) declaration of an interference by the Board of Patent Appeals and Interferences (BPAI), (5) filing of a request for continued examination, or (6) abandonment of the application. The submission of an amendment resulting in there being more than four independent claims or more than thirty total claims is not prohibited, but simply terminates the prioritized examination. Thus, upon mailing of a final rejection (at which point prioritized examination is terminated), applicants may amend the claims to place them in independent form where dependent claims were found allowable, or add new claims, subject only to the limitations applicable to any application under final rejection. See § 1.116. Similarly, upon mailing of a notice of allowance, applicants may submit amendments to the claims, again subject only to the limitations applicable to any application that has been allowed. See § 1.312

Comment 23: One comment noted that the limit on the number of claims is apparently subject to a preliminary amendment and requested a clarification regarding whether such amendments must be made at the time of filing.

Response: An application in which applicant is requesting prioritized examination under § 1.102(e) must have no more than four independent claims and thirty total claims, and must not have any multiple dependent claims, when the application is filed. Otherwise, the request for prioritized examination under § 1.102(e) will not be granted. While it is possible to file a preliminary amendment on filing of an application to reduce the number of claims to no more than four independent claims and thirty total claims, and to eliminate any multiple dependent claims, the Office strongly encourages applicants to file applications without any preliminary amendments. Applicants should file their applications with the desired claims, rather than submitting a preliminary amendment on filing. This will reduce the amount of processing done by the Office, thus reducing Office costs, and will help ensure patent application publications and patents are printed correctly. See *Revised Procedure for Preliminary Amendments Presented on Filing of a Patent Application*, 1300 *Off. Gaz. Pat. Office* 69 (November 8,

2005). If an amendment is filed in an application that has been granted prioritized examination that results in more than four independent claims or thirty total claims, or a multiple dependent claim, then prioritized examination will be terminated.

Comment 24: One comment stated that an applicant's request for an extension of time should not result in termination of prioritized examination, particularly where the extension of time leads to early issuance of a patent. Another comment stated that an applicant paying for better service from the Office should not be given less time to respond to Office actions than anyone else.

Response: The Office is being flexible by not prohibiting an applicant from filing a request for extension of time in an application that has been granted prioritized examination under § 1.102(e). However, filing an extension of time would significantly impact the Office's ability to meet the twelve-month aggregate goal to final disposition for handling applications under Track I. Therefore, prioritized examination will be terminated if an applicant does file a request for an extension of time in a Track I application.

Rule Making Considerations

A. Regulatory Flexibility Act: For the reasons set forth herein, the Deputy General Counsel for General Law of the United States Patent and Trademark Office has certified to the Chief Counsel for Advocacy of the Small Business Administration that changes set forth in this notice will not have a significant economic impact on a substantial number of small entities. See 5 U.S.C. 605(b).

This notice sets forth changes to implement an optional prioritized examination process. The primary impact of the change on the public is that applicants will have the option to request prioritized examination by paying appropriate fees, filing a complete application via the Office's electronic filing system (EFS-Web) with any filing and excess claims fees due paid on filing, and limiting their applications to four independent claims and thirty total claims. No applicant is required to employ this optional prioritized examination process to obtain examination of his or her application under the current procedures for examination of an application for a patent, or to obtain a patent provided that the application meets the current conditions for the applicants to be entitled to a patent. In addition, the availability of this prioritized examination process will not

have any significant negative impact on any applicant who elects not to request the prioritized examination process. Therefore, the changes set forth in this notice will not have a significant economic impact on a substantial number of small entities.

B. Executive Order 12866 (Regulatory Planning and Review): This rule making has been determined to be significant for purposes of Executive Order 12866 (Sept. 30, 1993).

C. Executive Order 13563 (Improving Regulation and Regulatory Review): The Office has complied with Executive Order 13563. Specifically, the Office has: (1) Used the best available techniques to quantify costs and benefits, and has considered values such as equity, fairness and distributive impacts; (2) provided the public with a meaningful opportunity to participate in the regulatory process, including soliciting the views of those likely affected prior to issuing a notice of proposed rule making, and provided online access to the rule making docket; (3) attempted to promote coordination, simplification and harmonization across government agencies and identified goals designed to promote innovation; (4) considered approaches that reduce burdens and maintain flexibility and freedom of choice for the public; and (5) ensured the objectivity of scientific and technological information and processes, to the extent applicable.

D. Executive Order 13132 (Federalism): This rule making does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (Aug. 4, 1999).

E. Executive Order 13175 (Tribal Consultation): This rule making will not: (1) Have substantial direct effects on one or more Indian tribes; (2) impose substantial direct compliance costs on Indian tribal governments; or (3) preempt tribal law. Therefore, a tribal summary impact statement is not required under Executive Order 13175 (Nov. 6, 2000).

F. Executive Order 13211 (Energy Effects): This rule making is not a significant energy action under Executive Order 13211 because this rule making is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Therefore, a Statement of Energy Effects is not required under Executive Order 13211 (May 18, 2001).

G. Executive Order 12988 (Civil Justice Reform): This rule making meets applicable standards to minimize litigation, eliminate ambiguity, and reduce burden as set forth in sections

3(a) and 3(b)(2) of Executive Order 12988 (Feb. 5, 1996).

H. Executive Order 13045 (Protection of Children): This rule making does not concern an environmental risk to health or safety that may disproportionately affect children under Executive Order 13045 (Apr. 21, 1997).

I. Executive Order 12630 (Taking of Private Property): This rule making will not effect a taking of private property or otherwise have taking implications under Executive Order 12630 (Mar. 15, 1988).

J. Congressional Review Act: Under the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 *et seq.*), prior to issuing any final rule, the United States Patent and Trademark Office will submit a report containing the final rule and other required information to the United States Senate, the United States House of Representatives and the Comptroller General of the Government Accountability Office. The changes in this notice are not expected to result in an annual effect on the economy of 100 million dollars or more, a major increase in costs or prices, or significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets. Therefore, this notice is not expected to result in a "major rule" as defined in 5 U.S.C. 804(2).

K. Unfunded Mandates Reform Act of 1995: The changes set forth in this notice do not involve a Federal intergovernmental mandate that will result in the expenditure by State, local, and tribal governments, in the aggregate, of 100 million dollars (as adjusted) or more in any one year, or a Federal private sector mandate that will result in the expenditure by the private sector of 100 million dollars (as adjusted) or more in any one year, and will not significantly or uniquely affect small governments. Therefore, no actions are necessary under the provisions of the Unfunded Mandates Reform Act of 1995. See 2 U.S.C. 1501 *et seq.*

L. National Environmental Policy Act: This rule making will not have any effect on the quality of the environment and is thus categorically excluded from review under the National Environmental Policy Act of 1969. See 42 U.S.C. 4321 *et seq.*

M. National Technology Transfer and Advancement Act: The requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) are not applicable because this rule making

does not contain provisions which involve the use of technical standards.

N. *Paperwork Reduction Act*: This rule making is proposed to implement an optional prioritized examination process. The primary impact of the change on the public is that applicants will have the option to request prioritized examination by paying appropriate fees, filing a complete application via the Office's electronic filing system (EFS-Web) with any filing and excess claims fees due paid on filing, and limiting their applications to four independent claims and thirty total claims.

An applicant who wishes to participate in the program must submit a certification and request to participate in the prioritized examination program, preferably by using Form PTO/SB/424. The Office of Management and Budget (OMB) has determined that, under 5 CFR 1320.3(h), Form PTO/SB/424 does not collect "information" within the meaning of the Paperwork Reduction Act of 1995. Therefore, this rule making does not impose additional collection requirements under the Paperwork Reduction Act which are subject to further review by OMB.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

List of Subjects in 37 CFR Part 1

Administrative practice and procedure, Courts, Freedom of Information, Inventions and patents, Reporting and recordkeeping requirements, Small businesses.

For the reasons set forth in the preamble, 37 CFR part 1 is amended as follows:

PART 1—RULES OF PRACTICE IN PATENT CASES

■ 1. The authority citation for 37 CFR part 1 continues to read as follows:

Authority: 35 U.S.C. 2(b)(2).

■ 2. Section 1.17 is amended by adding paragraph (c) and revising paragraph (i) to read as follows:

§ 1.17 Patent application and reexamination processing fees.

* * * * *

(c) For filing a request for prioritized examination under § 1.102(e) ... \$4,000.00.

* * * * *

(i) Processing fee for taking action under one of the following sections which refers to this paragraph: \$130.00.

§ 1.28(c)(3)—for processing a non-itemized fee deficiency based on an error in small entity status.

§ 1.41—for supplying the name or names of the inventor or inventors after the filing date without an oath or declaration as prescribed by § 1.63, except in provisional applications.

§ 1.48—for correcting inventorship, except in provisional applications.

§ 1.52(d)—for processing a nonprovisional application filed with a specification in a language other than English.

§ 1.53(b)(3)—to convert a provisional application filed under § 1.53(c) into a nonprovisional application under § 1.53(b).

§ 1.55—for entry of late priority papers.

§ 1.71(g)(2)—for processing a belated amendment under § 1.71(g).

§ 1.99(e)—for processing a belated submission under § 1.99.

§ 1.102(e)—for requesting prioritized examination of an application.

§ 1.103(b)—for requesting limited suspension of action, continued prosecution application for a design patent (§ 1.53(d)).

§ 1.103(c)—for requesting limited suspension of action, request for continued examination (§ 1.114).

§ 1.103(d)—for requesting deferred examination of an application.

§ 1.217—for processing a redacted copy of a paper submitted in the file of an application in which a redacted copy was submitted for the patent application publication.

§ 1.221—for requesting voluntary publication or republication of an application.

§ 1.291(c)(5)—for processing a second or subsequent protest by the same real party in interest.

§ 1.497(d)—for filing an oath or declaration pursuant to 35 U.S.C. 371(c)(4) naming an inventive entity different from the inventive entity set forth in the international stage.

§ 3.81—for a patent to issue to assignee, assignment submitted after payment of the issue fee.

* * * * *

■ 3. Section 1.102 is amended by revising paragraph (a) and adding paragraph (e) to read as follows:

§ 1.102 Advancement of examination.

(a) Applications will not be advanced out of turn for examination or for further action except as provided by this part, or upon order of the Director to expedite the business of the Office, or upon filing

of a request under paragraph (b) or (e) of this section or upon filing a petition or request under paragraph (c) or (d) of this section with a showing which, in the opinion of the Director, will justify so advancing it.

* * * * *

(e) A request for prioritized examination under this paragraph may be filed only with an original utility or plant nonprovisional application under 35 U.S.C. 111(a) that is complete as defined by § 1.51(b), with any fees due under § 1.16 paid on filing. If the application is a utility application, it must be filed via the Office's electronic filing system (EFS-Web). A request for prioritized examination under this paragraph must be present upon filing and must be accompanied by the prioritized examination fee set forth in § 1.17(c), the processing fee set forth in § 1.17(i), and the publication fee set forth in § 1.18(d). Prioritized examination under this paragraph will not be accorded to a design application or reissue application, and will not be accorded to any application that contains or is amended to contain more than four independent claims, more than thirty total claims, or any multiple dependent claim.

Dated: March 23, 2011.

David J. Kappos,

Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.

[FR Doc. 2011-7807 Filed 4-1-11; 8:45 am]

BILLING CODE 3510-16-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 60

[EPA-HQ-OAR-2006-0534; FRL-9289-6]

RIN 2060-AQ24

Standards of Performance for New Stationary Sources and Emissions Guidelines for Existing Sources: Hospital/Medical/Infectious Waste Incinerators

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule; amendments.

SUMMARY: On October 6, 2009, EPA promulgated its response to the remand of the new source performance standards and emissions guidelines for hospital/medical/infectious waste incinerators by the U.S. Court of Appeals for the District of Columbia Circuit and satisfied the Clean Air Act section 129(a)(5) requirement to conduct