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Special Committee for Issues on Intellectual Property Rights
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Comments on the Concept of Three Tracks for the Timing of Patent Examinations in
the United States Patent and Trademark Office

Japan Machinery Center for Trade and Investment (the Center) is a non-profit organization established in 1952 for sound development of machinery trades and investments. The members are about 270 companies, large and medium sized, making exports and direct investments overseas, including the United States, of a broad range of machinery products, in the areas of manufacturing, trading and engineering of electronic or electric equipments, office machineries and industrial machineries.

A total of 82,396 patent applications were filed from Japan in the United States Patents and Trademark Office (USPTO) in 2008, which accounted for about 18% of the total of 456,321 patent applications to the USPTO filed in the same year.¹ Most of the 82,396 patent applications were from the 270 members of the Center.

Since the number of patent filings to the USPTO from the constituents of the Center has been very large, we, the special committee of the Center for the issues on intellectual property rights are strongly interested in and have been studying the legal systems related to the intellectual property in your nation. We would like to submit our comments below on the three track concept on the timing of patent examinations in the USPTO, for which you have solicited public comments.

¹ *NUMBER OF UTILITY PATENT APPLICATIONS FILED IN THE UNITED STATES, BY COUNTRY OF ORIGIN CALENDAR YEAR 1965 TO PRESENT*, June 2009, U.S. PATENT AND TRADEMARK OFFICE, Electronic Information Products Division – PTMT

- I. The USPTO has proposed in the Federal Register the operation of a system in which following Tracks I, II and III can be chosen for patent applications first filed in the USPTO.²

Track I: prioritized examination

Track II: traditional examination under the current procedures

Track III: for non-continuing applications first filed in the USPTO, an applicant-controlled delay for up to 30 months prior to docketing for examination.

The proposed three track system is interpreted as follows: they are applied only to applications which are first filed in the USPTO; however for the applications first filed in foreign countries and then filed in the USPTO, choosing one of the three tracks is not an option---the examinations will not start until either (i) the USPTO receives copies of a search report, the first office action by the foreign patent office, and a reply to it, or (ii) the applicant abandoned the foreign application(s).

Therefore, the application of the three track system apparently discriminates against foreign applicants based on nationality; treats differently the US applicants who first file to the US and foreign applicants who do not first file in the US. We understand this is an apparent violation against Article 2 of Paris Convention for the Protection of Industrial Property³ and Article 3 of Agreement on Trade-Related Aspects of Intellectual Property

² Federal Register Vol. 75, No. 107, June 4, 2010

³ Paris Convention for the Protection of Industrial Property, Article 2: National Treatment for Nationals of Countries of the Union

(1) Nationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to nationals; all without prejudice to the rights specially provided for by this Convention. Consequently, they shall have the same protection as the latter, and the same legal remedy against any infringement of their rights, provided that the conditions and formalities imposed upon nationals are complied with.

(2) However, no requirement as to domicile or establishment in the country where protection is claimed may be imposed upon nationals of countries of the Union for the enjoyment of any industrial property rights.

(3) The provisions of the laws of each of the countries of the Union relating to judicial and administrative procedure and to jurisdiction, and to the designation of an address for service or the appointment of an agent, which may be required by the laws on industrial property are expressly reserved.

Rights (TRIPS)⁴, which stipulate equal treatment of intellectual property rights between domestic nationals and foreign nationals.

II. The foreign applicants who do not first file to the USPTO

The disadvantages for foreign applicants who do not first file in the US are not limited to the above exclusion from the selection of three tracks. The Federal Rule 37 C.F.R.§1.102 prescribes that any applicant may request the accelerated examination depending on the circumstances of the applicant (age or health) or the nature of the invention involved (green technology etc.). However, if operation of the three track system is put into force, the applications which have not been first filed to the US are excluded also from the benefit of this stipulation.

This is also an apparent violation of Article 2 of Paris Convention and Article 3 of TRIPS agreement.

III. When a patent office of any nation of member countries of the Paris Convention may set up a special examination system, the system must treat both domestic and foreign nationals equally, according with the stipulation of Article 2 of Paris Convention and Article 3 of TRIPS agreement.

⁴ AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS, Article 3: National Treatment 1. Each Member shall accord to the nationals of other Members treatment no less favorable than that it accords to its own nationals with regard to the protection (*) of intellectual property, subject to the exceptions already provided in, respectively, the Paris Convention (1967), the Berne Convention (1971), the Rome Convention or the Treaty on Intellectual Property in Respect of Integrated Circuits. In respect of performers, producers of phonograms and broadcasting organizations, this obligation only applies in respect of the rights provided under this Agreement. Any Member availing itself of the possibilities provided in Article 6 of the Berne Convention (1971) or paragraph 1(b) of Article 16 of the Rome Convention shall make a notification as foreseen in those provisions to the Council for TRIPS.

*“protection” shall include matters affecting the availability, acquisition, scope, maintenance and enforcement of intellectual property rights as well as those matters affecting the use of intellectual property rights specifically addressed in this Agreement.

2. Members may avail themselves of the exceptions permitted under paragraph 1 in relation to judicial and administrative procedures, including the designation of an address for service or the appointment of an agent within the jurisdiction of a Member, only where such exceptions are necessary to secure compliance with laws and regulations which are not inconsistent with the provisions of this Agreement and where such practices are not applied in a manner which would constitute a disguised restriction on trade.

This is an important principle commonly recognized in the patent systems of the world and it should particularly be so for the US and the USPTO who have been advocating the equal treatment of the applications to the foreign patent offices.

Here, we would not object to setting up the three track system itself, so long as the equal treatment of both domestic and foreign nationals stipulated in the Article 2 of Paris Convention and the Article 3 of TRIPS agreement is secured. This is true because the needs of applicants for examination by the USPTO may well vary depending on special circumstances of the applicants and technologies involved.

However, the proposed operation of the three track system apparently violates the Article 2 of Paris Convention and Article 3 of TRIPS agreement. We object to such aspects.

IV. We are also concerned that once the USPTO, if by remote chance, would implement the three track system, nations other than the US would follow and adopt similar systems. If such a situation occurred, the examination of applications from foreign nations would largely get delayed in patent offices all over the world, for which the USPTO must carry great responsibility.

In view of the above, we, the Center, would not object to the three track system by the USPTO, so long as the examinations would be speedy and smooth depending on the needs of applicants, and so long as treatment would be equal for both domestic and foreign nationals. However, we strongly object the proposed operation of the three track system which discriminates against foreign applicants.

Very truly yours,



Ken Hattori

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on behalf of

the Japan Machinery Center for Trade and Investment