

## Deferred Subject Matter Eligibility Response Pilot Memorandum of Understanding

**Preamble:** Management has determined to implement a Deferred Subject Matter Eligibility Response (DSMER) Pilot (hereinafter “the Pilot”) in accordance with the Pilot description attached to this Memorandum of Understanding. The USPTO plans to implement the Pilot with Patent Examiner volunteers.

**To meet management’s bargaining obligations, the Parties enter into this** memorandum of understanding between the Patent Office Professional Association (POPA, Union) and the United States Patent and Trademark Office (USPTO, Office, management) concerning the Pilot.

1. This Memorandum of Understanding (MOU) including the attached Pilot description will be effective upon passing Agency Head Review or after 30 days have lapsed after the last signature date on this MOU (whichever is sooner).
2. The Pilot will begin February 1, 2022.
3. The Pilot will consist of Primary Patent Examiner volunteers and will be conducted in two phases. In Phase One Examiners will invite applicants to participate in the Pilot and in Phase Two, for applications of applicants who opt in to the Pilot, prosecution will proceed according to the parameters of the Pilot. Phase One will begin February 1, 2022 and last for a period of 180 days. All Office actions with invitations posted for credit within the Phase One period are potentially part of the Pilot. Phase Two will begin February 1, 2022 and last until all of the applications in which an applicant opted in to the Pilot complete the Pilot procedure. Management reserves the right to terminate the Pilot at any time during the Pilot. If management elects to terminate the Pilot, management will notify POPA of its decision in a timely fashion. If management elects to terminate Phase Two, examiners will be compensated for responding to subject matter eligibility (SME) arguments newly presented after final or at appeal as described below under “*After-Final Practice*”.
4. At the request of either party, the parties shall meet to discuss the progress of the Pilot, including the number of invitations sent, the responses received and Pilot data.
5. POPA acknowledges that the Office’s obligation to negotiate over the implementation of the Pilot has been fully satisfied.
6. The USPTO will notify POPA of any decision to make this initiative a permanent part of patent practice for all or a portion of the patent examiners. Thereafter, POPA will have the opportunity to bargain, to the extent required by law, in accordance with the ground rules in place between the parties at the time of notice.

Signatures:



Kathleen Duda  
President, POPA

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Date

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Andrew Faile  
Acting Commissioner for  
Patents

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Date

## **Deferred Subject Matter Eligibility Response Pilot Description**

The purpose of the Deferred Subject Matter Eligibility Response (DSMER) Pilot is to evaluate the effects of permitting applicants to defer responding to subject matter eligibility (SME) rejections in certain patent applications.

### **Examiner Eligibility Criteria**

Any Primary Patent Examiner, who wants to volunteer for the Pilot, must be rated at least Fully Successful as of their most recent rating of record, must not currently be on a performance warning, and must not have received a disciplinary or adverse action in the last six (6) months.

### **Training and Pilot Participation**

Prior to the Pilot begin date, management will announce the Pilot and invite Primary examiners to participate. A Primary Examiner may volunteer to participate in the Pilot at any time after the Pilot is announced and before the end of Phase One by sending an e-mail to [VolunteerForDSMER@USPTO.GOV](mailto:VolunteerForDSMER@USPTO.GOV). Once a Primary Examiner is accepted into the Pilot, the Pilot participant and their supervisor (SPE) will be given written notice from the DSMER Pilot team that the Primary Examiner is participating in the Pilot.

A Pilot participant may elect to use the Pilot process as described below for any new application from their New Docket that meets the Pilot criteria and is eligible for additional attribute hours as described below.

If an applicant accepts an invitation for an application to be treated under the Pilot (as detailed below), the Pilot participant will examine the application according to the Pilot process. If a Pilot participant leaves USPTO, applications within the Pilot that had been assigned to that Pilot participant will be transferred to another examiner qualified in the technology, preferably at 0 learning curve, and who agrees to continue prosecution according to the Pilot. If the inheriting examiner has not already been trained on the Pilot, they will be given training and can take the time allotted for Pilot training and review of Pilot materials. Normal inherited credit rules apply.

Pilot participants will receive training in the Pilot examining process. Pilot participants will receive one hour of non-production time to participate in the training and one hour of non-production time to review the Pilot materials. Participation in the Pilot is voluntary. Once trained, the Pilot participant has discretion to decide whether to send an invitation in a qualified application in accordance with the Pilot Implementation Details and Guidelines section below.

### **Pilot Implementation Details and Guidelines**

The Pilot will be implemented in two phases, an invitation phase and an examination phase. The invitation phase begins on the effective date, February 1, 2022, and will run for 180 days. The examination phase begins on the effective date, and will remain open until each application that has been entered into the program is still subject to the program procedures set forth in the DSMER Pilot Federal Register notice (FR Notice) (Appendix A). The procedure for the Pilot is outlined in the Pilot process flow chart (Appendix B).

### ***Invitation phase***

During the invitation phase, a Pilot participant may identify an application as a prospective Pilot application if the application satisfies the procedural and patentability-related criteria outlined below.

*Procedural Criteria:* A prospective Pilot application must be an original nonprovisional utility application or national stage of an international application, and must not claim the benefit of the earlier filing date under 35 U.S.C. 120 or 121 of any prior nonprovisional application. The application may claim the benefit of the earlier filing date under 35 U.S.C. 120, 121, 365(c) or 386(c) of any prior international application or international design application designating the United States, and may claim priority under 35 U.S.C. 119, 365(a), 365(b), 386(a), or 386(b) to a prior application filed in the United States or in a foreign country, including international applications and international design applications that designate at least one country other than the United States. The following do not qualify for participation in the Pilot:

- Plant applications;
- Design applications;
- Reissue applications; and
- Applications that have been advanced out of turn (accorded special status).

*Patentability-Related Criteria:* The claims of the prospective Pilot application must raise both SME issues and non-SME issues that necessitate rejections, and the first Office action on the merits must make at least one SME rejection and at least one non-SME rejection. For the purpose of the Pilot, an “SME rejection” is a rejection under 35 U.S.C. 101 for lack of subject matter eligibility. A “non-SME rejection” is a rejection based on any other condition for patentability, for example, double patenting, utility, or inventorship issues under 35 U.S.C. 101; enablement, written description, or definiteness issues under 35 U.S.C. 112; novelty under 35 U.S.C. 102; or non-obviousness under 35 U.S.C. 103. Note that the Pilot does not require that any individual claim be the subject of both SME and non-SME rejections.

If the Pilot participant chooses to invite the applicant to participate in the Pilot, the first Office action on the merits (FAOM) of a prospective Pilot application must include the “Invitation to Participate in DSMER Pilot” form paragraph (Appendix C) identifying the application as a prospective Pilot application, inviting applicant to participate, and informing applicant how to accept or decline the invitation. Note that the term “first Office action on the merits” does not include actions containing only a requirement for restriction and/or election of species.

If the Pilot participant misidentifies an ineligible application (based on the *Procedural Criteria*) as a prospective Pilot application, the Pilot participant will be notified of the discrepancy as soon as it is discovered. If notified before the applicant files a response with a proper election to participate in the pilot (see “*Election by Applicant*” below), no attribute hours will be authorized.

Pilot participants are not required to consider applicant-initiated requests to place an application in the Pilot. Pilot participants are encouraged to contact their SPE or TC POCs to resolve any questions regarding the Pilot.

### ***Examination phase***

***Election by Applicant:*** To accept an invitation to participate in the Pilot, applicant must file a completed request form PTO/SB/456 (Appendix D) concurrently with a timely response to the first Office action on the merits.<sup>1</sup> The request form must be signed in accordance with 37 CFR 1.33(b) by a person having authority to prosecute the application, and must be submitted via the USPTO's patent electronic filing systems (EFS-Web or Patent Center).

If the applicant does not timely file a *properly* completed PTO/SB/456 the application will not be entered into the Pilot. In this case, the application will undergo the normal prosecution process. If the applicant timely files a completed PTO/SB/456 but the form is defective; for example, if the form is not signed in accordance with 37 CFR 1.33(b), the Examiner is required to issue a notice of non-responsive amendment to allow the applicant to correct the errors with the PTO/SB/456 form. Examples of situations where an applicant response constitutes an adequate reply under the Pilot are outlined in the FR Notice (Appendix A).

***Applicant Replies:*** Participation in the Pilot provides applicant with a limited waiver of 37 CFR 1.111(b) with respect to SME rejections in the participating application; i.e., applicant may defer presenting arguments or amendments in response to the SME rejection(s) until the earlier of final disposition of the participating application, or the withdrawal or obviation of all other outstanding rejections.<sup>2</sup> Upon final disposition, or the withdrawal or obviation of all other outstanding rejections (which would normally occur in a final Office action but may in some circumstances occur in a second or subsequent non-final Office action), the limited waiver of 37 CFR 1.111(b) provided by the Pilot ends, and applicant may no longer defer responding to any outstanding SME rejection(s).

***Examiner Actions:*** Participation in the Pilot does not alter the normal prosecution process as described in the Manual of Patent Examining Procedure (MPEP) 700, except for the SME response deferral outlined above. The Pilot participant will consider whether applicant's response overcomes the SME rejection(s) of record.

In situations where applicant's reply overcome(s) all outstanding rejections including the SME rejection(s) set forth in the previous Office action, and the application is in condition for allowance, the examiner will issue a Notice of Allowance. Additional attribute hours under the Pilot are not available for this scenario because the Pilot participant does not have to address applicant's arguments or

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<sup>1</sup> Extensions of time under 37 CFR 1.136(a) are available.

<sup>2</sup> Definitions of "final disposition" and "withdrawal or obviation of all other outstanding rejections" are provided in the FR Notice (Appendix A).

amendments about SME rejection outside of the normal examination process. If the record is not clear, the Pilot participant should clarify in reasons for allowance how the applicant's response to other rejections overcame the SME rejections of record, as described in MPEP 1302.14. Issuance of a Notice of Allowance is a final disposition that concludes the Pilot for that application.

In situations where applicant's reply does not overcome all outstanding rejections, the Pilot participant will issue a subsequent Office action setting forth all applicable rejections including any applicable SME rejection(s), and addressing all amendments, arguments, and evidence provided by the applicant. No additional attribute hours are available under the Pilot for this scenario because the Pilot participant does not have to address applicant's arguments or amendments about SME rejection(s) outside of the normal examination process. In accordance with normal prosecution practice, and as explained in MPEP 706, the subsequent action will typically be a final action except in limited circumstances. If the subsequent Office action is a non-final action, and non-SME rejection(s) remain outstanding, applicant may continue deferring its response to any outstanding SME rejection(s) set forth in the subsequent Office action. If the examiner issues a final rejection (with or without an SME) or a non-final action without any SME rejection, **applicant must respond in full**. The limited waiver of 37 CFR 1.111(b) does not apply in those situations.

*After-Final Practice:* A Pilot application is eligible for other USPTO initiatives after final disposition, e.g., the After Final Consideration Pilot 2.0 (AFCP 2.0) program, the Fast-Track Appeals Pilot, the Fast-Track for COVID-19-Related Appeals Pilot, the Pre-Appeal Brief Conference Pilot, and the Quick Path Information Disclosure Statement (QPIDS) program. Special status or expedited processing in connection with the filing of a request for continued examination, e.g., prioritized examination under 37 CFR 1.102(e)(2) for pilot applications, may be requested.

Applicant may not defer responding to any outstanding SME rejection(s) after final disposition. The Examiner is eligible for additional attribute hours under the Pilot for responding to applicant's arguments regarding SME rejection(s) for the first time after the final rejection as outlined below.

In situations where an applicant presents new arguments and/or amendments addressing the outstanding SME rejection(s) in a participating application for the first time, or in addition to the SME arguments already considered by the examiner, in an after-final response, Pilot participant's consideration and response to such arguments and/or amendments is eligible for up to 3.5 additional attribute hours under the Pilot. This attribute time is in addition to any time under AFCP 2.0, Appeal Conference or Pre-appeal Conference time the Pilot participant may be entitled to. If the after-final response places the application in condition for allowance and if the record is not clear, the Pilot participant should clarify in reasons for allowance how the applicant's response to other rejections overcame the SME rejections of record, as described in MPEP 1302.14.

If applicant participates in Pre-Appeal Brief Conference Pilot with an application in the Pilot and argues the outstanding SME rejection(s) in the participating application for the first time, Pilot participant is

entitled to up to 1 hour of attribute time. The Pilot participant and conferees discuss rejections of record and decide whether the case should proceed to the PTAB, following normal TC practice.

In cases where an applicant presents arguments and/or amendments addressing the outstanding SME rejection(s) in a participating application for the first time in an appeal brief, and no such SME-related arguments and/or amendments were addressed by the Pilot participant earlier during the prosecution of the participating application, Pilot participant is eligible for up to 3.5 attribute hours under the Pilot for consideration and response to such arguments and/or amendments in addition to any attribute time claimed for participating in a Pre-Appeal brief conference.

As filing of an RCE terminates the limited waiver of 37 CFR 1.111(b), Examiner responding to any arguments and/or amendments addressing the outstanding SME rejection(s) presented for the first time in the RCE will not be eligible for additional attribute hours under the Pilot. Because abandonment is a final disposition, if a participating application is abandoned, applicant may not defer responding to any outstanding SME rejection(s) if the application is later revived, even if the application was abandoned for failure to respond to a non-final Office action. No attribute hours will be granted under the Pilot for processing a Notice of abandonment.

*Interview Practice:* Interviews conducted in participating applications must be made of record in accordance with the normal interview procedure (see MPEP 713), including interview attribute time, and the written statement of the interview must capture the substance of the interview including any SME rejection-related discussions between the applicant and the Pilot participant.

If the Examiner believes additional time is needed for examination, the Examiner may request additional time from his or her SPE. The SPE will determine if additional time should be granted on a case-by-case basis.

### **Evaluation**

*Survey:* Pilot participants are expected to complete an exit survey for each participating application in which an applicant has accepted an invitation to participate. In addition, optional focus sessions may be conducted towards the conclusion of Phase Two of the Pilot for most applications at the USPTO, in order to further evaluate the impact of the Pilot on examination efficiency, application pendency, and patent quality.

For each application that is examined under the Pilot, participants are expected to complete an exit survey after the mailing of one of the following examiner actions, whichever comes first: (i) a notice of allowance, (ii) an examiner's answer, (iii) a notice of abandonment, (iv) an advisory action which addresses any new SME arguments, or (v) a first Office action in an RCE filed immediately after termination of the limited waiver of 37 CFR 1.111(b) under the Pilot. The Pilot participants are eligible for 30 to 60 minutes of additional attribute hours for each application-specific survey completed under the Pilot. Mailing of one of the five examiner actions identified above in a participating application triggers notification to the participant to complete the survey. Examiner must complete this survey

within fourteen (14) days of receiving notification of the survey to be eligible for the attribute hours allocated for this survey.

Optional focus sessions, comprising subsets of examiners selected from various art units that had applications examined under the Pilot, will be held towards the conclusion of Phase Two (i.e., the Examination Phase) of the Pilot at the USPTO. Pilot participants are eligible for non-examining time for participating in these focus sessions.

*Pilot Data*: The Office will share and discuss the 101 Deferred SME Response Pilot data with POPA.

POPA may conduct focus sessions with Pilot participants without management in the room except for a note taker such as a program manager. Pilot participants are eligible for non-examining time for participating in these focus sessions.

DSMER MOU Appendix A

DSMER Pilot Program Federal Register Notice [12-07-2021]



**DEPARTMENT OF COMMERCE**

**Patent and Trademark Office**

**[Docket No. PTO-P-2021-0033]**

**Deferred Subject Matter Eligibility Response Pilot Program**

**AGENCY:** United States Patent and Trademark Office, Department of Commerce.

**ACTION:** Notice.

**SUMMARY:** The United States Patent and Trademark Office (USPTO or Office) is implementing a pilot program to evaluate the effects of permitting applicants to defer responding to subject matter eligibility (SME) rejections in certain patent applications. Under this pilot program, applicants may receive invitations to participate if their applications meet the criteria for the program as specified in this notice, including a criterion that the claims in the application necessitate rejections on SME and other patentability-related grounds. An applicant who accepts the invitation to participate in this pilot program must still file a reply to every Office action mailed in the application, but is permitted to defer responding to SME rejections until the earlier of final disposition of the application, or the withdrawal or obviation of all other outstanding rejections. This notice outlines the conditions, eligibility requirements, and guidelines of the pilot program.

**DATES:** Comments must be received by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER] to ensure consideration.

*Pilot Duration:* Invitations to participate in the Deferred Subject Matter Eligibility Response (DSMER) Pilot Program will be mailed during the period beginning on February 1, 2022, and ending on July 30, 2022. The USPTO may extend the pilot program (with or without modifications) or terminate it depending on the workload and resources needed to administer the program, feedback from the public, and the effectiveness of the program. If the pilot program is extended or terminated, the USPTO will notify the public.

**ADDRESSES:** For reasons of Government efficiency, comments must be submitted through the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov). To submit comments via the portal, enter docket number PTO-P-2021-0033 on the homepage and click “Search.” The site will provide a search results page listing all documents associated with this docket. Find a reference to this notice and click on the “Comment Now!” icon, complete the required fields, and enter or attach your comments. Attachments to electronic comments will be accepted in ADOBE® portable document format or MICROSOFT WORD® format. Because comments will be made available for public inspection, information that the submitter does not desire to make public, such as an address or phone number, should not be included in the comments.

Visit the Federal eRulemaking Portal website ([www.regulations.gov](http://www.regulations.gov)) for additional instructions on providing comments via the portal. If electronic submission of comments is not feasible due to a lack of access to a computer and/or the internet, please contact the USPTO using the contact

information below for special instructions.

**FOR FURTHER INFORMATION CONTACT:** For questions or comments regarding this pilot program in general, please contact Nalini Mummalaneni, Legal Advisor, Office of Patent Legal Administration, Office of the Deputy Commissioner for Patents, USPTO, at 571-270-1647. Questions regarding a specific application should be directed to the Technology Center examining the application.

**SUPPLEMENTARY INFORMATION:** Patent examiners at the USPTO customarily practice compact prosecution when examining patent applications. See section 2103 of the Manual of Patent Examining Procedure (MPEP, Ninth Edition, Revision 10.2019). Under the principles of compact prosecution, as described in the MPEP, an examiner reviews each claim for compliance with every requirement for patentability in the initial review of the application, and identifies all the applicable grounds of rejection in the first Office action. See MPEP 2100 for a discussion of the requirements for patentability, including the SME, utility, inventorship, and double patenting requirements of 35 U.S.C. 101; the enablement, written description, and definiteness requirements of 35 U.S.C. 112; and the prior art-based novelty and non-obviousness requirements of 35 U.S.C. 102 and 35 U.S.C. 103, respectively. The applicant must then respond to every ground of rejection in the Office action in order to continue prosecution and avoid abandonment of the application. 37 CFR 1.111(b); MPEP 714.02.

On March 22, 2021, Senators Thom Tillis and Tom Cotton sent a letter to the Commissioner for Patents suggesting that the USPTO modify the compact prosecution process with respect to SME

issues. This letter is available at <https://www.uspto.gov/patents/initiatives/patent-application-initiatives/deferred-subject-matter-eligibility-response>. In particular, the letter requested that the USPTO adopt a pilot program under which full prosecution of SME issues under 35 U.S.C. 101 is deferred until a patent application satisfies the other patentability conditions, and that the USPTO also determine “whether this approach is more effective, and produces higher quality patents” than the traditional compact prosecution approach.

In response to the Senators’ requests, the USPTO is implementing the DSMER Pilot Program. Under this program, an applicant must still file a reply to every Office action mailed regarding a participating application, but is permitted to defer responding to SME rejections until the earlier of final disposition of the application, or the withdrawal or obviation of all other outstanding rejections. The DSMER Pilot Program thus deviates from traditional compact prosecution, because participating applicants may defer engaging with examiners on SME issues until after non-SME issues have been addressed.

This pilot program provides the USPTO with the opportunity to evaluate how deferred applicant responses to SME rejections affect examination efficiency and patent quality as compared to traditional compact prosecution practice. Because satisfaction of non-SME conditions for patentability (e.g., novelty, non-obviousness, adequacy of disclosure, and definiteness) may resolve SME issues as well, the pilot program may result in improved examination efficiency and increased patent quality as compared to compact prosecution practice, particularly in certain technology areas.

## **I. Prospective Pilot Applications**

The USPTO may identify an application as a prospective pilot application if it satisfies the following conditions during the invitation phase: (1) the application is assigned to a participating examiner, as explained in section I.A.; (2) the application meets the procedural criteria specified in section I.B.; and (3) the claims meet the patentability-related criteria specified in section I.C. Such identification will be made in the first Office action on the merits, which will include a form paragraph identifying the application as a prospective pilot application, inviting the applicant to participate, and informing the applicant about how to accept or decline the invitation. See section II for more information on the invitation process. The USPTO will not accept requests to have a particular application identified as a prospective pilot application.

### **A. Participating Examiners**

This pilot program is open to primary examiners across the patent examining corps. While examiner participation is not mandatory, the USPTO will make efforts to ensure that a representative number of primary examiners are participating from each applicable Technology Center.

### **B. Procedural Criteria**

#### **1. Application Types**

A prospective pilot application must be an original nonprovisional utility application filed under 35 U.S.C. 111(a) or an international application that has entered the national stage under 35 U.S.C. 371, and must not claim the benefit of the earlier filing date, under 35 U.S.C. 120 or 121, of any prior nonprovisional application. The application may claim the benefit of the earlier

filing date, under 35 U.S.C. 120, 121, 365(c), or 386(c), of any prior international application or international design application designating the United States, and may claim priority, under 35 U.S.C. 119, 365(a), 365(b), 386(a), or 386(b), to any prior application filed in the United States or in a foreign country, including provisional applications, international applications, and international design applications that designate at least one country other than the United States. Plant and design applications do not qualify for participation in this pilot program because they are not governed by the SME requirements of 35 U.S.C. 101.

## 2. Application Status

Because this pilot program is being implemented to study how applicant deferrals of responses to SME rejections affect examination efficiency, applications that have been advanced out of turn (accorded special status) do not qualify for participation in this pilot. Thus, applications that have been accorded special status under 37 CFR 1.102, or via participation in initiatives or pilot programs that advance applications out of turn and/or provide fast-track examination (e.g., the Collaborative Search Pilot Program or the COVID-19 Prioritized Examination Pilot Program), will not be invited to participate in this pilot program. Further, as a condition of entering this pilot program, an applicant must agree that they will not seek special status or expedited processing of a participating application until final disposition has been achieved in the application.

Applications participating in this pilot program may participate in initiatives that expedite processing **after** final disposition, for example, the Fast-Track Appeals Pilot Program.

Applicants of participating applications may also request prioritized examination under 37 CFR

1.102(e)(2) in connection with the filing of a request for continued examination (RCE).

Additionally, applications participating in this pilot program may take part in other USPTO initiatives or pilot programs that do not advance applications out of turn, including the After Final Consideration Pilot 2.0 (AFCP 2.0) Program, the Pre-Appeal Brief Conference Pilot Program, and the Quick Path Information Disclosure Statement (QPIDS) Program. For more information about after-final practice, please refer to section III.C below.

### C. Patentability-Related Criteria

The claims of the prospective pilot application must raise both SME issues and non-SME issues that necessitate rejections, and the first Office action on the merits must make both SME and non-SME rejections. The inclusion of SME rejections in this action will ensure that the applicant has sufficient information on which to make an educated decision about whether to participate in the pilot program. This program does not require that any individual claim be the subject of both SME and non-SME rejections. For the purposes of this pilot program, an “SME rejection” is a rejection under 35 U.S.C. 101 for lack of SME, and includes both step 1 rejections, where the claim as a whole does not fall within a statutory category, and step 2B rejections, where the claim as a whole is directed to a judicial exception without also including additional limitations amounting to significantly more than the exception. See MPEP 2106.07 for a discussion of SME rejections. Additional information about patent SME and the USPTO’s evaluation of this requirement is provided in MPEP 2106 et seq., and at [www.uspto.gov/PatentEligibility](http://www.uspto.gov/PatentEligibility). A “non-SME rejection” is a rejection based on any other condition for patentability, such as, for example, utility or inventorship under 35 U.S.C. 101; enablement, written description, or definiteness under 35 U.S.C. 112; novelty under 35 U.S.C. 102; non-obviousness under 35

U.S.C. 103; or double patenting. See MPEP chapter 2100 for more information about these conditions for patentability.

## **II. Pilot Invitation and Election Process**

### **A. Pilot Invitation**

As explained in section I, participating examiners may invite the applicant of a prospective pilot application to participate in the pilot program by including a form paragraph in the first Office action on the merits. The form paragraph will identify the application as a prospective pilot application, invite the applicant to participate, and inform the applicant about how to accept or decline the invitation. For purposes of issuing an invitation to participate in this program, the term “first Office action on the merits” does not include actions containing only a requirement for restriction and/or election of species. A copy of the invitation form paragraph is available on the pilot program website at <https://www.uspto.gov/patents/initiatives/patent-application-initiatives/deferred-subject-matter-eligibility-response>.

### **B. Election by the Applicant**

An applicant receiving an invitation to participate in the DSMER Pilot Program may elect to accept the invitation and participate in the program or to decline participation.

If an applicant wishes to participate in the program, they must file a properly completed request form PTO/SB/456 concurrently with a timely response to the first Office action on the merits. The request form must be signed, in accordance with 37 CFR 1.33(b), by a person having the authority to prosecute the application, and must be submitted via the USPTO’s patent electronic



filing systems (EFS-Web or Patent Center). Use of this form will help the Office to quickly identify applications participating in this pilot program and improve the data generated on the effectiveness of the program. The form is available on the pilot program website at <https://www.uspto.gov/patents/initiatives/patent-application-initiatives/deferred-subject-matter-eligibility-response>. If the form is properly completed and timely received in a prospective pilot application, the application will be entered into the pilot program, and further prosecution will proceed as detailed below in section III. Form PTO/SB/456 does not collect “information” as defined in 5 CFR 1320.3(h) and therefore is exempt from the Paperwork Reduction Act of 1995.

If the applicant does not timely file a properly completed PTO/SB/456, the application will not be entered into the program. In this case, the application will undergo the normal prosecution process as described in MPEP chapter 700, and the applicant must file a complete reply to the first Office action on the merits, as required by 37 CFR 1.111(b) and as described in MPEP 714.02.

Once an applicant has elected to participate in the pilot program, there is no provision for them to withdraw a participating application. However, applicants may, at any time, choose not to avail themselves of the program’s benefit (the ability to defer responding to SME rejections in certain circumstances) and may voluntarily reply to any outstanding SME rejections. Such action does not remove the application from the pilot program or terminate the waiver for that application.

### **III. Pilot Procedure**

#### **A. Applicant Replies**

Participation in this pilot program provides the applicant with a limited waiver of 37 CFR 1.111(b) with respect to SME rejections in the participating application, as set out below.

Although the applicant must still file a reply to every Office action mailed in the participating application, the limited waiver permits the applicant to defer presenting arguments, evidence, or amendments in response to the SME rejection(s) until the earlier of final disposition of the participating application or the withdrawal or obviation of all other outstanding rejections. Other than this permitted deferral of responding to the SME rejection(s), the applicant's replies must be fully responsive to the Office action, as described in MPEP 714.02, and must be timely filed within the applicable period for reply, as extended under 37 CFR 1.136(a).

The phrase "final disposition" should be understood for a particular application as occurring upon the earliest of the: (1) mailing of a notice of allowance, (2) mailing of a final Office action, (3) filing of a notice of appeal, (4) filing of an RCE, or (5) abandonment of the application. The phrase "withdrawal or obviation of all other outstanding rejections" refers to the situation in which a second or subsequent non-final Office action containing only the SME rejection(s) is mailed in a participating application, because the applicant has overcome, or the examiner has withdrawn, all the non-SME rejections that were previously made. Although such actions are not final dispositions, they are effective in terminating the limited waiver of 37 CFR 1.111(b) for that participating application. This termination is necessary because the applicant is required by 35 U.S.C. 132 and 133 to respond to Office actions in order to prevent abandonment of the application.

Prior to termination of the waiver (whether by final disposition or by the withdrawal or obviation

of all other outstanding rejections), the applicant may defer responding to any particular SME rejection in a participating application. For example, if the applicant accepts the invitation to participate in the pilot program, in compliance with section II.B above, for an application having a first Office action on the merits setting forth a step 1 SME rejection, a step 2B SME rejection, and an anticipation rejection, an applicant may exercise any of the following options when filing a reply to the action:

- Respond only to the anticipation rejection and remain silent on the SME rejections, pursuant to the limited waiver of 37 CFR 1.111(b);
- Respond to the anticipation rejection and one of the SME rejections, and remain silent on the other SME rejection, pursuant to the limited waiver of 37 CFR 1.111(b); or
- Respond to all three rejections.

Any of these three replies will be considered as an adequate reply to the SME rejection(s) for purposes of evaluating whether the applicant has made a *bona fide* attempt to advance the application to final action.

Upon final disposition, or the withdrawal or obviation of all other outstanding rejections (which would normally occur in a final Office action but may, in some circumstances, occur in a second or subsequent non-final Office action), the limited waiver of 37 CFR 1.111(b) provided by this pilot program ends, and the applicant may no longer defer responding to any outstanding SME rejection(s). See section III.C below for more information on after-final practice.

In the event that circumstances require the USPTO to remove an application from this pilot program, the limited waiver of 37 CFR 1.111(b) ends, and the applicant may no longer defer

responding to any outstanding SME rejection(s). Such circumstances may occur, for instance, if the application must be transferred upon the retirement of the original examiner. In the event of removal, the applicant will be notified that the application no longer qualifies for the pilot program.

#### B. Examiner Actions

An examiner's or applicant's participation in this pilot program does not alter the normal prosecution process, as described in MPEP chapter 700, except for the SME response deferral outlined above in section III.A. Thus, for example, interviews conducted in participating applications must be made of record, in accordance with the normal interview procedure (see MPEP 713), and the written statement of the substance of the interview must capture all matters discussed (including any SME rejection-related discussions) between the applicant and the examiner, in accordance with normal interview practice (see MPEP 713.04).

Even though the limited waiver of 37 CFR 1.111(b) permits the applicant to defer responding to an SME rejection, the examiner will consider whether the applicant's responses to other rejections (e.g., amendments made in response to an obviousness or indefiniteness rejection) overcome the SME rejection(s) of record. In cases where the applicant's reply overcomes all outstanding rejections, including the SME rejection(s) set forth in the Office action, and the application is otherwise in condition for allowance, the examiner will issue a Notice of Allowance. If the examiner believes that the record of the prosecution as a whole does not make clear their reasons for allowing a claim or claims, the examiner may set forth such reasoning in the Notice of Allowance, as described in MPEP 1302.14. Issuance of a Notice of Allowance is a

final disposition that concludes the limited waiver of 37 CFR 1.111(b) for that particular application.

In cases where the applicant's reply does not overcome all outstanding rejections, the examiner will issue a subsequent Office action setting forth all applicable rejections, including any applicable SME rejection(s), and addressing all amendments, arguments, and evidence provided by the applicant. In accordance with normal prosecution practice and as explained in MPEP 706.07(a), the subsequent action will typically be a final action, except in limited circumstances. Issuance of a final rejection is a final disposition that concludes the limited waiver of 37 CFR 1.111(b) for that particular application. If the subsequent Office action is a non-final action, and a non-SME rejection(s) remains outstanding, the applicant may continue deferring their response to any outstanding SME rejection(s) set forth in the subsequent Office action, as described above in section III.A. If the subsequent Office action is a non-final action, and there are no non-SME rejections outstanding, the limited waiver is terminated, and the applicant must respond to the outstanding SME rejection(s), as described above in section III.A.

#### C. After-Final and Appeal Practice

As stated earlier, a final disposition of the application ends the limited waiver of 37 CFR 1.111(b) provided by this pilot program. Thus, the applicant may not defer responding to any outstanding SME rejection(s) after final disposition (e.g., after the mailing of a final Office action, filing of a notice of appeal, or filing of an RCE). If the applicant chooses to file an after-final response, it must be complete, in accordance with 37 CFR 1.111(b), and any amendment, affidavit, or other evidence submitted after a final Office action and prior to appeal must comply

with 37 CFR 1.116. If the applicant chooses to file a Notice of Appeal, the application will be treated in accordance with the normal appeal procedure (see MPEP chapter 1200), and the applicant must present arguments with respect to each ground of rejection (including SME rejections) that is contested, pursuant to 37 CFR 41.37(c)(1)(iv). Applicants are cautioned that participation in this program is not, in itself, a good and sufficient reason why an amendment or evidence was not earlier presented under 37 CFR 1.116 or 41.33. See, e.g., MPEP 714.12 and MPEP 1206 regarding amendments and other replies after final rejection or appeal.

If the applicant chooses to file an RCE, they must submit a complete response to the final Office action, including a response to any outstanding SME rejection(s), with the RCE as required by normal rules of practice.

Because abandonment is a final disposition, it also ends the limited waiver of 37 CFR 1.111(b) provided by this pilot program. Thus, if a participating application is abandoned, the applicant may not defer responding to any outstanding SME rejection(s) if the application is later revived, even if the application was abandoned due to failure to respond to a non-final Office action.

Accordingly, a grantable petition for revival of a participating application that is abandoned must be accompanied by a complete reply to any outstanding SME rejection(s) of record, in addition to the other requirements of such petitions under 37 CFR 1.137 and Office practice. Due to this particular response requirement, a petition for revival of a participating application may not be filed as an e-Petition and instead must be filed by: (1) uploading the petition and accompanying papers using a USPTO electronic filing system (EFS-Web or Patent Center); (2) physical delivery to the USPTO by way of the United States Postal Service, another delivery service, or

by hand delivery to the USPTO Customer Service Window; or (3) facsimile. More information about these delivery options is available at [www.uspto.gov/patents/apply/petitions/02-where-file-petitions-requests-and-related-inquiries-office](http://www.uspto.gov/patents/apply/petitions/02-where-file-petitions-requests-and-related-inquiries-office).

An application participating in this pilot program may participate in other USPTO initiatives **after** final disposition of the application if it satisfies the conditions of those other initiatives. Such initiatives include, for example, the AFCP 2.0 Program, the Fast-Track Appeals Pilot Program, the Fast-Track for COVID-19-Related Appeals Pilot Program, the Pre-Appeal Brief Conference Pilot Program, and the QPIDS Program. An application participating in this pilot program may also request special status or expedited processing in connection with the filing of an RCE (e.g., prioritized examination under 37 CFR 1.102(e)(2)).

Dated:

**Andrew Hirshfeld,**  
*Commissioner for Patents, Performing the Functions and Duties of the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.*





# Simplified Process Flow Chart for Deferred SME Response Pilot

## Notes:

\*1 **Procedural criteria** for application (all must be met):

- Original utility application filed under 35 U.S.C. 111(a) or national stage application submitted under 35 U.S.C. 371 (no design, plant, or reissue applications)
- Not a continuing application (no benefit claims to non-provisional applications or Hague applications, except under 35 U.S.C. 365(c))
- May include priority/benefit claim(s) to foreign, provisional, and/or PCT international applications in which the basic national fee has not been paid (bypass continuation okay)
- Newly filed (not an RCE; no first action on the merits mailed yet)
- No special status or expedited examination (no petitions to make special, Track One, etc.), which excludes participation in most pilot programs (with exception of after-final and appeal pilot programs)

\*2 **SME issues** may be Step 1 issues (for failure to claim within a statutory category) and/or Step 2B issues (for claiming a judicial exception without significantly more).

\*3 **Prospective Pilot applications** (applications selected by examiners for possible inclusion for pilot) will include a form paragraph in the first action on the merits indicating that the applicant may elect to have the application treated under the pilot program. Examiner has discretion to pick and choose applications.

\*4 **Pilot election** requires applicant to file a PTO/SB/456 form setting out particulars and conditions/requirements of the Pilot. Form must be filed with a timely response to the first action on the merits.

† Pilot deferral ends at the earliest of: Notice of Allowance mailed; Final Action mailed; Notice of Appeal filed; RCE request; or abandonment of the application.

-----> refers to alternate flow in some situations

## Form Paragraph:

- Contains information about how applicant opts into the pilot, e.g., by filing a request form to accept invitation
- Indicates that pilot permits applicant to defer responding to SME rejection(s) made in non-final actions
- Indicates that pilot deferral ends upon the earliest of Notice of Allowance, Final Rejection, Notice of Appeal filed, RCE request, or abandonment of the application
- Refers applicant to the Fed Register notice and/or request form for complete details and conditions

## Pilot Request Form (PTO/SB/456):

- Applicant accepts Pilot invitation by filing PTO/SB/456 form with a timely response to first office action on merits
- Must be signed in accordance with 37 CFR § 1.33(b) by a person having authority to prosecute the application
- Must be submitted via the USPTO's patent electronic filing systems (EFS-Web or Patent Center)
- Applicant certifies that no special status or expedited processing will be sought in the application until final disposition is reached

## **DSMER MOU Appendix C - DSMER Pilot Form Paragraph.**

### ¶ 99.01 Invitation to Participate in DSMER Pilot Program

#### **Invitation to Participate in DSMER Pilot Program**

The present application satisfies the criteria for participation set forth in the Federal Register Notice entitled “Deferred Subject Matter Eligibility Response (DSMER) Pilot Program.” Therefore, the examiner invites applicant to participate in the DSMER pilot program.

An applicant who accepts the invitation to participate in this pilot program must still file a reply to every Office action mailed in this application, but may defer presenting arguments or amendments in response to subject matter eligibility (SME) rejection(s) until the earlier of final disposition of the application, or the withdrawal or obviation of all other outstanding non-SME rejections. A final disposition for purposes of this pilot program occurs upon the earliest of: mailing of a notice of allowance; mailing of a final Office action; filing of a notice of appeal; filing of a request for continued examination; or abandonment of the application. Other than applicant’s ability to defer responding to SME rejections, participation in the DSMER pilot program does not alter the normal examination process (e.g., as outlined in MPEP 700), and applicant must still respond to all non-SME rejections when replying to Office actions.

Further information about the pilot program, including an explanation of the criteria for receiving an invitation, and the conditions of participation, is provided in the Federal Register Notice announcing the program, which is available on the pilot program website [LINK TO PROGRAM PAGE].

#### **Applicant has two choices with respect to this invitation:**

- (1) Applicant may elect to participate in the DSMER pilot program. To effect this choice, applicant **MUST** accept this invitation by filing a completed request form PTO/SB/456 with a timely response to this Office action. The DSMER Pilot request form must be signed in accordance with 37 CFR § 1.33(b) by a person having authority to prosecute the application, and must be submitted via the USPTO’s patent electronic filing systems (EFS-Web or Patent Center). The form is available on the pilot program website [LINK TO PROGRAM PAGE]. If the form is properly completed and timely received, the application will be entered into the pilot program.
- (2) Applicant may decline to participate in the pilot program. No action is required from applicant to effect this choice, because if applicant does not timely file a properly completed form PTO/SB/456, the application will not be entered into the pilot program.

#### Examiner Note:

1. This form paragraph should only be used in an application that satisfies the criteria set forth in the Federal Register Notice announcing the program (-- FR --), which published on [insert date of publication].
2. This Office action must contain at least one subject matter eligibility (SME) rejection, and at least one non-SME rejection.

DSMER MOU Appendix D  
DSMER Pilot Form sb0456 [12-07-2021]

<b>CERTIFICATION AND REQUEST TO PARTICIPATE IN THE DEFERRED SUBJECT MATTER ELIGIBILITY RESPONSE (DSMER) PILOT PROGRAM</b>	
Application No.:	First Named Inventor:
Filing Date:	Title:
<p><b>APPLICANT HEREBY CERTIFIES THE FOLLOWING AND REQUESTS PARTICIPATION IN THE DSMER PILOT PROGRAM FOR THE ABOVE-IDENTIFIED APPLICATION.</b></p> <ol style="list-style-type: none"> <li>1. The above-identified application contains an outstanding Office action in which applicant was invited to participate in the DSMER pilot program.</li> <li>2. This certification and request form is being electronically filed using the USPTO electronic filing system (EFS-Web or Patent Center).</li> <li>3. I understand that to keep this application pending, I must file a reply to every Office action mailed in the application, but that participation in this program allows me to defer presenting arguments or amendments in response to subject matter eligibility rejection(s) until the earlier of final disposition of this application, or the withdrawal or obviation of all other outstanding rejections.</li> <li>4. Submitted herewith is applicant's reply under 37 CFR 1.111 to the outstanding Office action. Other than the deferred response to subject matter eligibility rejection(s) permitted by this program, the reply is fully responsive to the Office action.</li> <li>5. I agree that I will not seek special status or expedited processing of this application until final disposition is reached.</li> </ol>	
Signature	Date
Name (Print/Typed)	Practitioner Registration Number
<p><b>Note:</b> This form must be signed in accordance with 37 CFR 1.33. See 37 CFR 1.4(d) for signature requirements and certifications. Submit multiple forms if more than one signature is required, see below*.</p>	
<p><input type="checkbox"/> * Total of _____ forms are submitted.</p>	

## Privacy Act Statement

The **Privacy Act of 1974 (P.L. 93-579)** requires that you be given certain information in connection with your submission of the attached form related to a patent application or patent. Accordingly, pursuant to the requirements of the Act, please be advised that: (1) the general authority for the collection of this information is 35 U.S.C. 2(b)(2); (2) furnishing of the information solicited is voluntary; and (3) the principal purpose for which the information is used by the U.S. Patent and Trademark Office is to process and/or examine your submission related to a patent application or patent. If you do not furnish the requested information, the U.S. Patent and Trademark Office may not be able to process and/or examine your submission, which may result in termination of proceedings or abandonment of the application or expiration of the patent.

The information provided by you in this form will be subject to the following routine uses:

1. The information on this form will be treated confidentially to the extent allowed under the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C. 552a). Records from this system of records may be disclosed to the Department of Justice to determine whether disclosure of these records is required by the Freedom of Information Act.
2. A record from this system of records may be disclosed, as a routine use, in the course of presenting evidence to a court, magistrate, or administrative tribunal, including disclosures to opposing counsel in the course of settlement negotiations.
3. A record in this system of records may be disclosed, as a routine use, to a Member of Congress submitting a request involving an individual, to whom the record pertains, when the individual has requested assistance from the Member with respect to the subject matter of the record.
4. A record in this system of records may be disclosed, as a routine use, to a contractor of the Agency having need for the information in order to perform a contract. Recipients of information shall be required to comply with the requirements of the Privacy Act of 1974, as amended, pursuant to 5 U.S.C. 552a(m).
5. A record related to an International Application filed under the Patent Cooperation Treaty in this system of records may be disclosed, as a routine use, to the International Bureau of the World Intellectual Property Organization, pursuant to the Patent Cooperation Treaty.
6. A record in this system of records may be disclosed, as a routine use, to another federal agency for purposes of National Security review (35 U.S.C. 181) and for review pursuant to the Atomic Energy Act (42 U.S.C. 218(c)).
7. A record from this system of records may be disclosed, as a routine use, to the Administrator, General Services, or his/her designee, during an inspection of records conducted by GSA as part of that agency's responsibility to recommend improvements in records management practices and programs, under authority of 44 U.S.C. 2904 and 2906. Such disclosure shall be made in accordance with the GSA regulations governing inspection of records for this purpose, and any other relevant (*i.e.*, GSA or Commerce) directive. Such disclosure shall not be used to make determinations about individuals.
8. A record from this system of records may be disclosed, as a routine use, to the public after either publication of the application pursuant to 35 U.S.C. 122(b) or issuance of a patent pursuant to 35 U.S.C. 151. Further, a record may be disclosed, subject to the limitations of 37 CFR 1.14, as a routine use, to the public if the record was filed in an application which became abandoned or in which the proceedings were terminated and which application is referenced by either a published application, an application open to public inspection or an issued patent.
9. A record from this system of records may be disclosed, as a routine use, to a Federal, State, or local law enforcement agency, if the USPTO becomes aware of a violation or potential violation of law or regulation.