

Examination Reforms As a Means of Improving Patent Quality

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April 11, 2002



Overview

- **What does patent quality mean in 2002?**
- **Guidelines development experiences**
 - Software, business method, biotech
- **Variables for new examination reforms**

Measuring patent quality in 2002

- **Claims must cover invention actually made**
 - Reflect all essential attributes of the invention
 - Not limited to examples, but not so broad as to omit those aspects of invention necessary to confer utility
- **Patent must provide clear record of examination**
 - What examiner perceived as the invention
 - What information was considered by PTO
 - What applicant said to PTO and
 - What examiner concluded was patentable and why

Patent quality challenges

- **>300,000 applications each year**
- **20-30% examiner turnover**
- **25 hours (roughly) per case**
- **Constantly evolving legal standards**
- **Junior examiner versus applicant plus attorneys**

Examination procedure crucial to patent quality

- **Procedures must enable examiners to quickly:**
 - Comprehend the invention
 - Analyze the claims
 - Find prior art
 - Correctly apply **key** patentability standards
 - 112 (enablement and written description)
 - 102 (novelty)
 - 103 (nonobviousness)

What about specific/practical utility?

- **Very important requirement but ...**
 - Is a “yes/no” question not a “how much” question
 - Is very useful information to understand invention and apply other criteria
 - What are essential aspects of invention needed to deliver specific utility?
 - What is significance/lack of significance of claim elements relative to prior art, particularly non-obviousness

Experience with examination process reform

- **1994-1996 Guidelines development process**
 - Much unhappiness with artificial “find the algorithm” examination process
 - Shifted focus away from crucial “how much” assessments of under 112, 102 and 103
 - Extensive consultations with examination groups, patent bar, patent users, public showed concern with patent quality and distorted examination focus

Results of examination reform

- **Simplified 101 inquiry aided by published standards for evaluation**
 - Safe harbors for claim form for applicants and examiners
 - If it doesn't fit in one of these categories, talk to your SPE
 - General procedure for evaluation of claims designed to expedite conclusions on 101
 - Emphasis on other patentability criteria as focus of examination

Future reform concepts

- ***Festo, Enzo* and other recent cases demand a much more informative file wrapper**
 - What did applicant relinquish, if anything
 - How did applicant characterize invention
 - What was needed to convince examiner invention was patentable

Future reform concepts

- **Running PTO on 85% funding means PTO has to be extremely efficient**
- **More of the examination “burdens” need to be shifted to the applicant**
 - To help examiner understand invention quickly
 - To help examiner conduct proper search
 - To focus patentability questions on the core issues, rather than fumbling toward the answer
- **Sanction of patent unenforceability through misrepresentations to PTO useful tool for candor**

Future reform concepts

- **PTO must find ways to streamline the examination process**
 - Allow preliminary communication by examiner to obtain stipulations and other concessions from applicant to enable a more focused search and more accurately framed initial opinions on patentability
 - Use a more legalistic examination with presumptions and stipulations to frame issues for rapid resolution by examiners (e.g., implementing known process on a computer...)
 - Change rules that allow applicants to avoid substantive responses to examiner contentions (e.g., examiner notice rule)

Future Reform Concepts

- **Better documented file wrappers**
 - Examiners should provide short explanations as to why they are withdrawing rejections or granting a patent (e.g., which representations of the applicant were persuasive)
 - Applicants should be given search parameters used by examiner to ensure complete search
 - Failure to correct errors has serious consequences on patent validity/enforceability

Conclusions

- **Radical changes (e.g., precluding patent eligibility) will be much more harmful and disruptive to the IT market than examination reform efforts**
 - Experience is generally positive where parties negotiate on the basis of valid and appropriately limited patents (e.g., licensing negotiations incidental to standard setting exercises)
 - Invalid or overbroad patents can disrupt these market-based processes, but the problem is best addressed by examination reforms to produce valid patent

Conclusions

- **Putting more responsibility on applicants to better frame issues key to patentability will**
 - Improve quality of examination
 - Create more useable record for litigation and future interpretation of patent rights



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