AIPLA

AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION

April 25, 2014

The Honorable Michelle K. Lee
Deputy Under Secretary of Commerce for Intellectual Property and
Deputy Director of the United States Patent and Trademark Office
United States Patent and Trademark Office
600 Dulany Street
Alexandria, VA 22314   *Via email*: CrowdsourcingRoundtable2014@uspto.gov

> **RE: Request for Comments on the Use of Crowdsourcing and Third-Party**
> **Preissuance Submissions To Identify Relevant Prior Art**
> **79 Fed. Reg. 15319 (March 19, 2014)**

Dear Deputy Under Secretary Lee:

The American Intellectual Property Law Association (AIPLA) is pleased to have the opportunity to present its views with respect to the United States Patent and Trademark Office (USPTO) "Request for Comments and Notice of Roundtable Event on the Use of Crowdsourcing and Third-Party Preissuance Submissions To Identify Relevant Prior Art" as published in the Federal Register (Vol. 79, No. 53, pp. 15319-15321) on March 19, 2014 (the "Request").

AIPLA is a U.S.-based national bar association comprising approximately 15,000 members that are primarily lawyers in private and corporate practice, government service, and the academic community.   AIPLA members represent a diverse spectrum of individuals, companies, and institutions involved directly and indirectly in the practice of patent, trademark, copyright, unfair competition, and trade secret law, as well as other fields of law affecting intellectual property, in the United States and in jurisdictions throughout the world.

AIPLA supports efforts to improve patent examination, patent quality, and specifically enhance the likelihood that the best possible prior art will be considered during examination.   In particular, AIPLA applauds the continued efforts of the USPTO through various initiatives, pilot programs, and the Software Partnership to improve operations, procedures, examination capabilities, and the United States patent system generally.   AIPLA is a committed partner in these efforts and we welcome this opportunity to share our views.

The Patent System is a Crowdsourced Prior Art Submission Program

Initially, we recognize that the USPTO currently can leverage crowdsourcing to obtain relevant information during examination. This information can be obtained from experts in the scientific

and technical community through continuing efforts to maintain a strong patent system that rewards inventors and their assignees with patent protection in exchange for disclosure. This is a primary purpose of the patent system – encouraging disclosure of innovative technological advancements.

We further recognize that the examining corps is strong at prior art searching of issued patents and published applications. A strong patent system in and of itself encourages maintenance of this readily searchable prior art universe. For example, at the time of the *State Street* decision, the available software patent prior art was arguably limited. *See State Street Bank and Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368 (Fed. Cir. 1998). In the years since, the increased number of software patent filings combined with 18-month publication has provided a comprehensive prior art database that has resolved many perceived prior art inadequacies. We respectfully submit that a healthy patent system is a form of crowdsourcing that has generated a prior art resource that is more comprehensive and more easily searched every day. A healthy patent system encourages not only innovation, but also disclosure from which further innovation is more easily and accurately measured.

To further help increase prior art available during examination, we suggest continuing with ongoing USPTO work sharing efforts with other patent offices, and making scientific and technical community members available to examiners. Increasing communication between examiners from various patent offices and examiner communication with scientific and technical community members would likely help close examination prior art gaps and improve patent quality globally.

Many Are Unlikely to Make Prior Art Submissions

As a preliminary matter, AIPLA recognizes the great value to patent examination quality of having all relevant prior art before the examiner as soon as possible. As stated below, we believe that preissuance prior art submissions should be encouraged, through education and disclosure of applications and claims for which prior art submissions would be most beneficial, and through optimal usage of prior art submissions during examination to demonstrate the value of the program to submitters.

Nevertheless, we are concerned that many members of the public are unlikely to even consider making a prior art submission, let alone a submission with the best identified prior art, as there seems to be little incentive to submit prior art references under a prior art submission program. AIPLA members who have filed multiple third-party preissuance submissions and advised clients on whether to pursue this approach, in thinking about what prevents prior art submissions, consider that, while a competitor of an applicant may be best positioned to be aware of the most relevant prior art, the competitor may not be incentivized to submit that prior art during prosecution because it forecloses better options that would be available to the competitor by holding onto the reference. For example, if the applicant is given notice of the reference during prosecution, it may give the applicant the ability to relatively inexpensively amend around the reference. It also alerts the applicant to the fact that the application is of interest to others, which

may signal to the applicant that they should invest money in the quality of the application. On the other hand, if the competitor holds the prior art reference until after the patent has issued, then the competitor can file post-grant proceedings against the patent, citing the reference. Thus, the competitor is incentivized to wait until a patent has been issued with the potential of the patent being invalidated completely. In addition, non-submitted prior art may also be used in litigation to invalidate a patent.

Further, AIPLA members are of the opinion that, if a submission is in fact made, the best prior art references would not be included. Instead, those references would be held for purposes of post-grant filings and invalidity assertions in litigation, as stated above. At the very least, in the absence of a present case or controversy, a competitor will often spend their limited budgets in pursuit of further patent protection and defending against actual patent assertions, rather than making third-party prior art submissions.

It is likely that the USPTO is aware of these concerns and strategies, as they seem to have discouraged prior art submissions from commercial entities for many years, and the number of actual submissions seems to have been very small.

While these factors are of central concern and will prevent many from even considering a prior art submission, the public can still have beneficial input, in the following ways.

The USPTO Could Target Academia

First, contributions from academia could be targeted, as the same concerns may not influence them. Academics are often on the leading edge of new technologies and could have access to prior art that has not yet become available through the patent system. For new technologies, crowdsourcing prior art from academia might thus be an effective measure until prior art resources become more comprehensive.

Third-Party and Crowdsourced Prior Art Submissions

With regard to both third-party and crowdsourced prior art submissions, it would be beneficial to identify applications for which prior art submissions are most needed. It also would be beneficial to identify the types of prior art that are needed most, and perhaps even identify certain claim elements for prior art submissions. This information could be provided by both the USPTO and by individuals and entities that are expending efforts to provide submissions. Additionally, once the art is identified, the prior art submission programs should operate to encourage submissions and to provide simple, user friendly procedural mechanisms through which prior art may be submitted. At the same time, realizing that many members of the public who might be interested in making prior art submissions are not well versed in patent law, educational resources should be provided to increase their productivity and the quality of their submissions.

Most Needed Prior Art

USPTO examiners are highly skilled at searching U.S. patent prior art and other English-language patent prior art. Although examiners may have greater difficulty accessing some non-patent prior art, they are still effective and their abilities continue to increase as more content reaches the Internet through efforts of many companies.

However, there are still likely prior art references that examiners will not be able to find easily, for a number of reasons, such as the finite time examiners are allotted for examining each application, limitations of available prior art resources, shortcomings in examiner technical knowledge, misclassification of applications, poorly titled and abstracted documents, and inconsistent vernaculars, among other factors.

It is this art that examiners would not otherwise find that is most needed in the context of crowdsourcing. While, in many instances, it is likely that the art that examiners are able to locate will be sufficient to avoid overly broad patent claims, it is the very patents where examiner cited prior art is not sufficient that would benefit most from third-party and crowdsourced prior art submissions.

While it is virtually impossible to know what percentage of patent applications this represents, or to predict which individual patents these will be, it may be possible to identify technology areas that would benefit most from crowdsourcing. For example, prior art submissions are often less beneficial in more mature areas of technology, and more beneficial for less mature areas. More mature areas are generally areas where pioneering inventions were made years prior and innovation around those areas has gone on for a period of time. Less mature areas are those that are closer in time to the pioneering invention. A pioneering invention itself is often identified as one for which little or no prior art exists, or if it does exist, it is difficult to find regardless of who is doing the searching. Patent applicants are often aware when their applications are directed to pioneering technology, and examiners are able to identify them rather quickly when their search results turn up empty, at least for certain claim elements. These are the applications most likely to benefit from prior art submissions, regardless of how the submissions are received.

In summary, the less mature a technology, the greater the benefit of prior art submissions, and conversely, the more mature the technology, the less beneficial. It could be beneficial to any prior art submission program to identify these applications and the need for prior art, possibly including specific claim limitations, to the community interested in making prior art submissions.

Identify and Educate Submitters

The USPTO provides great resources to examiners for locating prior art and additional tools are generally available via the Internet. Applicants also have a duty under Rule 56 to disclose material information of which they are aware. *See* 37 C.F.R. 1.56. There is generally a vast amount of material art that will either be found by the examiner or be submitted by the applicant. The amount of remaining material art that cannot be made of record may be slim. Finding this

needed art is therefore quite challenging, and often times there are few able to locate it. Those with abilities to locate this information are typically members of the scientific and technical communities. This, of course, includes people in scientific and technical industries, academia, and government.

Engaging those with knowledge of and access to needed prior art may not be very easy. First, such people need to be informed of the need. Second, to maximize submission value, educational opportunities and resources should be made available to enable all interested parties to perform the tasks being asked of them. Thus, for any prior art submission program to be successful, communication and education plans should be in place and consistently executed.

Identification of applications in most need of prior art submissions, claims and claim elements for which it is needed, and supporting educational resources can be easily provided over the Internet. Not only does the USPTO have a useful website, social media provides submitters abilities to self-select by joining groups on LinkedIn and Facebook and by following individual accounts on Twitter. Additionally, dedicated websites can be targeted at specific prior art submission programs, such as with the Peer-To-Patent pilot programs. These solutions provide a means for publicizing prior art submission programs to a targeted audience, for providing specific information about what is needed, and for delivery of tailored educational resources. Additionally, such solutions can be used to enable collaboration amongst participants allowing for synergies to develop from the collective knowledge.

Prior Art Submission Programs Should Encourage, Rather Than Discourage, Participation

At the same time, improvements are needed to ensure that received submissions are utilized. When received submissions are not utilized, the programs themselves discourage further participation as identifying, analyzing, and submitting prior art are non-trivial tasks. For example, 226 applications were reviewed under the first Peer-To-Patent Pilot Program. *PeerToPatent: First Pilot Final Results* (June 2012), available at http://www.peertopatent.org/wp-content/uploads/sites/2/2013/11/First-Pilot-Final-Results.pdf (page 26). Of these applications, 189 had references submitted that were forwarded to examiners. *Id.* Of these 189 applications, only 38 applications were rejected based on the crowdsourced art. *Id.* at 27. This is only 20.1% of the applications for which art was submitted.

Further, statistics included in the February 24, 2014 posting to the USPTO AIA Blog regarding third-party submissions show that of over 1,400 received submissions, 25.4% were improper. Janet Gongola, *AIA Blog "Message From Janet Gongola, Patent Reform Coordinator: Update On The Frequency, Compliance, And Content Of Preissuance Submissions,"* (Feb. 24, 2014), available at http://www.uspto.gov/blog/aia/entry/message_from_janet_gongola_patent8. At the same time, 73.8% of submissions were proper and considered. *Id.* However, of the 73.8% of proper submissions, the submitted references were used only 12.5% of the time in rejecting claims. *Id.* In numbers, that is only 158 prior art submissions used of the over 1,400 received submissions.

Any program that allows for prior art submission against pending applications must not only be fair to applicants, but must also be respectful of submitter efforts. Where references are submitted, if the references are unlikely to be applied or would otherwise have been located by examiners, the value of submitter contributions is minimal even when submitter efforts are considerable. At the very least, these statistics, in particular the 25.4% improper submission rate, highlight the importance of a strong educational plan.

For any prior art submission program to be successful, the program needs to encourage participation. The slim chance of a third-party submission and a submission under the first Peer-To-Patent Pilot Program of being used discourages participation. These programs essentially seem self-defeating, as submitter efforts appear to be underutilized at least 80% of the time.

At the same time, looking at the same AIA Blog Post, the provided data shows that over 3,300 documents were received in the proper third-party submissions. *Id.* Of these submitted documents, in rough numbers:

- 900 were patents;
- 700 were published US patent applications;
- 650 were foreign references; and
- 1,100 were non-patent literature.

In view of the discussion above regarding the needed art submissions, if the submitted documents were all in fact relevant, the patents, published applications, and most foreign references would most likely have already been found by examiners. Thus, the most beneficial submissions were likely only a portion of the foreign references and the non-patent literature. The data provided does not give details on the types of documents applied in the 12.5% of applications rejected based on submitted documents**.** AIPLA would be interested in learning these details, whether the documents that were applied in rejecting the applications would have been otherwise identified by the examiner, and if the documents were also submitted by applicants in Information Disclosure Statements.

At the very least, these statistics show that prior-art submission programs do yield art that is relevant and needed during examination. However, the statistics also illustrate that for the full potential of these programs to increase quality of the examination process, improvements are needed.

Suggestions for Improvement of Prior Art Submission Programs

If applications most in need of prior art submissions, and the types of prior art documents most likely to be beneficial, are identified to interested prior art submission program participants who are offered education on the task asked of them, their submissions are more likely to be based on relevant art, be non-duplicative of what examiners are likely to find on their own, and be more useful and concise. As a result, fewer efforts would be wasted, submissions would be used more

frequently, and the prior art submission programs would encourage, rather than discourage, participation.

With specific regard to third-party submissions, we would like to reiterate a suggestion included in AIPLA's comments on the USPTO Notice of Proposed Rule Making titled "Changes to Implement the Preissuance Submissions by Third Parties Provision of the Leahy-Smith American Invents Act," March 5, 2012, available at www.aipla.org/advocacy/executive/Documents/AIPLA%20Comments%20to%20USPTO%20on %20Preissuance%20Submissions%20-%203.5.12.pdf. AIPLA suggested that "[t]o encourage third parties to make these efforts, the policies and practices adopted by the USPTO should facilitate submissions in accordance with these regulations and minimize barriers that may frustrate these efforts." In view of the 25.4% of third party submissions found improper, it appears this comment is still pertinent. While there are concerns that improper submissions may be objected to or be harassing to the applicant, the subject matter of the submission may still contain relevant prior art that should be considered. With further regard to the same AIPLA comments, "[i]f there is a good faith attempt made to comply with the requirements and the submission does not appear to have been made for harassment purposes, but some element is missing . . . the omission should be waived or the submitter given a non-extendable one-month period to correct the citation … rather than not entering the non-compliant third-party submission…."
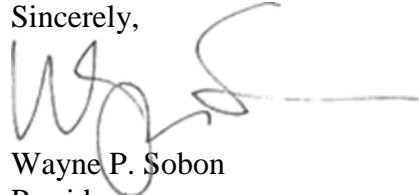
While compliance with regulations is of course important for many reasons, strict application of rules in spite of good-faith efforts can defeat the purposes for which the regulations exist. The goal of providing programs through which third-parties may submit prior art is to put the best prior art in front of examiners in a timely manner. When the regulations, in particular Rule 290, are applied in a manner that makes it procedurally difficult to comply, very few submissions will be received. 37 C.F.R. § 1.290. The act of declaring such a high percentage of submissions improper discourages further submissions.

Summary

Care must be taken to ensure that the prior art submission programs encourage and facilitate participation. This could be accomplished through effective communication and education as well as procedures and regulations that are responsive to submitters, and respectful to applicants. While prior art submission programs should not be limited to certain applications and prior art types, it would be helpful to the overall success of the programs and provide greater benefit to the patent system to identify applications, claim elements, and prior art for which assistance would be most beneficial. Focusing submitter efforts would make their work more meaningful and encourage participation while also helping fill actual prior art holes, leading to higher quality examination and a stronger patent system in general.

<p style="text-align:center">*   *   *</p>

AIPLA appreciates the opportunity to comment in response to the Request. We would be pleased to answer any questions these comments may raise and look forward to participation in continuing efforts to modify existing and implement new prior art submission programs that will enhance the examination process and help improve patent quality.

Sincerely,

Wayne P. Sobon
President
American Intellectual Property Law Association