

November 13, 2013

Theresa Stanek Rea  
Deputy Under Secretary of Commerce for Intellectual Property  
and Deputy Director of the U.S. Patent and Trademark Office  
600 Dulany Street  
Alexandria, VA 22314

Re: Coalition for Patent and Trademark Information Dissemination Response to Request  
for Public Comments in Connection with the DRAFT USPTO 2014-2018 Strategic  
Plan

Dear Deputy Under Secretary Rea:

The Coalition for Patent and Trademark Information Dissemination (CPTID) is a group of private sector companies that provide value-added services for patent and trademark information users. These companies have been investing in and building efficient, high quality patent and trademark research services for more than 50 years. For patent research purposes, their services cover U.S. and foreign patents, pre-grant publications, and non-patent literature; and for trademark searches, U.S. pending and registered marks, as well as state, common law, and foreign marks.

We believe that a well functioning U.S. Patent and Trademark Office (“USPTO”) promotes innovation and job creation and strengthens the U.S. economy. Those who innovate and create patented and trademarked works in this country rely on a well-functioning USPTO for their financial success and ability to continue innovating. On behalf of our members, we appreciate the opportunity to provide this written submission in support of the efforts of the USPTO to develop a new strategic plan for 2014-2018.

Some of the Coalition’s members may be making their own separate filings in response to the USPTO’s Request for Comments. We submit these comments as a Coalition, however, to highlight as a group the important role that private sector publishers play in helping the USPTO strengthen its capacity, improve the quality of its patents and trademarks, and reduce the time it takes to obtain a patent. Additionally, we urge the USPTO to take the following considerations into account when developing the new strategic plan for 2014-2018, especially when focusing on the following strategic plan objectives of:

- Ensuring Optimal Information Technology (IT) Service Delivery to All Users (Strategic Goal 1, Objective 5); and
- Leveraging IT investments to Achieve Business Results (Management Goal 1, Objective 1)

Coalition for Patent and Trademark Information Dissemination  
Corsearch \* Dialog \* Reed Elsevier \* Thomson Reuters

## **Private Sector Publishers are an Important Part of the Patent and Trademark Landscape**

Issuance of high quality patents and trademarks and a well functioning patent and trademark legal landscape is dependent on clear and accessible information about what patent and trademarks actually exist and what other prior art is available. This information is generally provided by commercial publishers, such as the members of the Coalition, who process raw data coming from the patent and trademark offices and make it searchable, thus more usable, by patent and trademark searchers, innovators, attorneys, and enforcers.

Commercial providers are an indispensable part of the classic value creation chain for patent and trademark information. The first link involves patent and trademark offices, which collect basic information from applicants and make it available to the public and commercial service providers. Few in the general public can make sense of the raw data that comes out of the offices, and thus it is the second link - the commercial providers - who process the raw data and add value through additional data, features and functionality, improving its searchability and usefulness, to users. The U.S. patent and trademark system thus depends on the dissemination of value-added information. Such dissemination can best be achieved by a private-public partnership that takes advantage of the core strengths of the patent and trademark offices as well as the private sector publishers. A competitive private sector patent and trademark information industry complemented by the USPTO provides the optimal approach for meeting the broad range of user needs – from specialists to the general public – and is just the type of dynamic private public partnership that you indicate in your USPTO website introduction to the draft strategic plan is necessary for our nation to lead and thrive in the 21<sup>st</sup> century.

## **The USPTO Should Give the Highest Priority to Ensuring that it Continues to Meet or Exceed its Current High Standards for Quality of Raw Data**

The USPTO should focus on and give highest priority to funding decisions to ensure that the U.S. maintains its current “gold standard” for the first link of the patent and trademark data chain – collecting basic information from applicants and providing raw patent and trademark data to the public and commercial service providers. Thus, the agency should ensure that the USPTO continues to meet or exceed its current high standard of published patent (Pre-Grant and Grant) and trademark data while it is improving internal operations and information technology systems.

The Coalition agrees with the USPTO’s strategic goal of ensuring optimal Information Technology (IT) service delivery to all users. Fortunately, former USPTO Director Kappos committed to Congress that the USPTO would maintain its current high quality data during the information technology upgrades. Last year, the Honorable Chaka Fattah, Ranking Member of the House CJS Appropriations Subcommittee, asked Director Kappos at a CJS Appropriations Subcommittee hearing: “As PTO develops its new Patent Application Text Initiative technology, what are PTO’s plans for ensuring that this new system will help maintain PTO’s current high standard of content accuracy for PTO’s databases and published U.S. patent content?” Director Kappos answered: “The Patent Application Text Initiative (“PATI”) is one project under the Patent End-to- End (“PE2E”) portfolio of information technology projects. *Any PE2E projects that would impact the current patent publication process would meet or exceed the current standards.*” (Emphasis added.) Indeed, the draft strategic plan says, “Overall, enhanced Patent IT systems will ultimately lead to higher quality products and services, maximization of efficient patent processing times, and further evolution of electronic commerce and an electronic workplace for the Patent business.” (page 11 of draft plan).

The Coalition is in agreement that any PE2E projects should lead to higher quality products and services – including meeting or exceeding current publication standards. Current post-allowance publication processes identify and correct over 100,000 errors made by examiners and applicants annually (i.e., beyond those made by optical character recognition, OCR, software). These processes should not be dismantled until/unless the PE2E initiatives can be shown to deliver equal or better publication quality without them. Removing a rigorous check from the process that ensures high quality U.S. patent content is not advisable, particularly at a time when the agency is raising its fees. Users of U.S. patent information - both value added publishers and general end users - hope that the USPTO remains committed to maintaining its current quality standard for published patent information at a minimum. It impacts the quality of patents directly because if the agency is publishing low quality data, it becomes more difficult for every stakeholder on the IP chain – innovators, those looking for prior art, examiners, attorneys and enforcers - to do his or her job properly.

### **USPTO Policies Should Encourage a Diversity of Sources for Patent Information**

It is common sense that one should not rely on a single source of information, and that “truth” or the “most accurate information” is best derived from a marketplace of ideas with a multiplicity of sources. U.S. law embraces such thinking, and Federal statute provides that Federal government agencies shall ensure public access to an agency’s public information by “encouraging a diversity of public and private sources for information based on government public information.” (44 USC 3506(d)(1)(A)). The statute’s enforcement vehicle, OMB Circular A-130, provides that in determining how and whether to disseminate information, agencies will: “[t]ake advantage of all dissemination channels, Federal and nonfederal, including State governments, libraries, and private sector entities, in discharging agency information dissemination activities.”

The concept of “a diversity of sources” has special applicability to patent and trademark information. Each area of technology benefits from different types of search tools to achieve optimal results for understanding what patents and trademarks already exist and what prior art is out there. There are many types of uses of patent and trademark information, and there are many types of users in addition to those who conduct searches for patentability, infringement, validity, etc. Such users include researchers, business intelligence analysts, financial analysts, technology specialists and those who engage in IP enforcement. If there is only one source--the USPTO--all of this diversity is lost. And yet, this is what can happen if the USPTO does not consciously take into account this principle when they are making decisions about what patent and trademark services to offer to the public at no extra cost, but for which patent and trademark applicants will be charged since the agency is a user fee funded agency.

Perhaps the greatest advantage of a diversity of sources is that it maximizes dissemination and enables patent and trademark information to reach places where it would otherwise not be used; thus helping to realize several of the major policy goals of the patent and trademark system: dissemination of knowledge, ability of others to understand and learn what innovations have already taken place in order to build on them, and enforcement of the rights of innovators in order to encourage further innovation.

### **The USPTO Should Recognize That Functionality Is Value, and Functionality Costs**

Added functionality--added value--is really at the heart of what private sector patent and trademark information services do. It is the second link in the process of dissemination of patent and trademark

data, and it represents the results of their investment in both dollar and human capital in a given year. It is a never-ending process. Adding value can add considerable costs to a patent office's budget, and since applicants and grantees are paying for patent offices, added value can translate into added costs to inventors.

Here is where a solid private-public partnership can provide optimal results for meeting the broad range of user needs. For example, when the USPTO was planning several years ago to expand its website service to include full-text searching, the Coalition and the USPTO management had an extensive dialogue regarding functionality. Coalition member companies identified and ranked critical functionalities and the effect the introduction of particular functions by the USPTO would have on private sector services. The USPTO also conducted analyses of the costs of each function. It was generally agreed that the private sector plays an important role in addressing USPTO objectives. Moreover, there was a strong positive correlation between high costs to the USPTO and functions that Coalition member companies considered to be problematic for the USPTO to provide because of the cost and the negative impact on private business. As such, the USPTO was sensitive to the negative impact it would have on vendors from aggressive and expensive enhancements of their public search systems. Considering that the USPTO is funded by users of the agency, decisions on appropriate functionality can sometimes be made based on costs alone.

### **The USPTO's Policies Should Create an Environment for Maximizing Competition among Private Sector Patent and Trademark Information Providers**

Maximizing competition requires creating, not destroying, incentives for investment. No rational investor will risk capital where the plans of a patent or trademark office are not known, or where there is not reasonable certainty that fair and open competition will prevail. This means open competition among private sector companies in a marketplace and fair competition with a patent or trademark office or its proxy. Fairness implies that a patent or trademark office is not overreaching in the added value it is providing free. If a patent or trademark office takes steps to directly compete with private sector companies, a market distortion is created and this can lead to destruction of the marketplace. Fairness also means maintaining a practice of opening all work with outside parties – paid or not paid – to an open and transparent contracting process.

In closing, we want to reiterate the Coalition's appreciation for the USPTO's efforts to solicit and consider stakeholder input on USPTO processes and services. We thank you for this opportunity to emphasize that private sector publishers are a significant part of the patent and trademark landscape. The U.S. patent and trademark system depends on the dissemination of value-added information. Such dissemination can best be achieved by a public-private partnership that takes advantage of the core strengths of the patent and trademark offices as well as the private sector publishers. A competitive private sector patent and trademark information industry complemented by the USPTO provides the optimal approach for meeting the broad range of user needs.

Sincerely,

Marla Grossman  
Executive Director  
Coalition for Patent and Trademark Information Dissemination

See Attachment for Background on Coalition Members

## Attachment

### Background on Members of the Coalition for Patent and Trademark Information Dissemination

#### **Corsearch:**

- *Corsearch is the result of the merger over 10 years ago of Trademark Research Company (TRC) and Corsearch, Inc. TRC had been formed as the “Trademark Service Corporation” in 1949, and had set the stand in superior data and organization of its intellectual property reports. Corsearch Inc. was formed in 1983, initially focusing on litigation support services, but then concentrating on intellectual property research since 1985. Corsearch has been a leader in innovation when it offered the first comprehensive computerized search in the industry. Corsearch is part of Wolters Kluwer Corporate Legal Services (CLS), a business of Wolters Kluwer, a market-leading global information services company with more than 19,000 employees worldwide.*

#### **Dialog:**

- *Dialog’s intellectual property databases include U.S. copyright data, trademarks from 14 countries plus the European Community and WIPO, four million trademark images, Japanese trademarks in English, over 15 million patents covering 60 countries, U.S. business process patents and Korean patent application abstracts in English. Intellectual property information is provided by such sources as Derwent’s World Patents Index, IMSWorld Patents International for drugs, Claims®/UNITERM for chemicals, and Ei EnCompassPat™ for petroleum, as well as the extensive TRADEMARKSCAN® collection from Thomson and Thomson. Dialog is headquartered in Morrisville, North Carolina and has more than 135 employees worldwide.*

#### **Reed Elsevier:**

- *Reed Elsevier’s company, LexisNexis, provides the world’s most respected intellectual property treaties: Matthew Bender’s Chisum on Patents, Nimmer on Copyright, and Gilson on Trademarks. LexisNexis also offers a complete collection of federal and state caselaw, statutes, court dockets and filings; a searchable collection of more than 3.8 billion public records, including information on personal assets and business records; and an extensive collection of business news publications. In recent years, LexisNexis added over 1,600 full-text Elsevier Journals in science, medicine and technology; and coverage of IP practice and legislation for over 230 countries from Global IP Law Service.*

#### **Thomson Reuters:**

- *Spanning the innovation lifecycle from discovery to development to delivery, [Thomson Reuters Intellectual Property & Science](#) provides category leading content and tools, including the Derwent World Patent Index, Delphion, Aureka, Thomson Innovation, Thomson CompuMark and Serion, and Web of Knowledge. Derwent – a member of the Thomson Reuters family – traces its first U.S. Patent and Trademark Office: Fee Schedule Adjustment and Agency Reform value-added patent service to 1948. Thomson Reuters is headquartered in New York City. It has 60,000 employees in more than 100 countries and operates eight offices in the United States.*