



## COMMENTS TO THE USPTO

### ON QUALITY IMPROVEMENT CASE STUDIES

**Submitted by: The National Association of Patent Practitioners (NAPP)**

Jeffrey L. Wendt, President

Louis J. Hoffman, Chairman of the Board

Principal authors:

David J. Stein ([www.djstein.com](http://www.djstein.com))

Louis J. Hoffman ([www.valuablepatents.com](http://www.valuablepatents.com))

February 12, 2016

To: Michael Cygan, Senior Legal Advisor  
Office of Patent Legal Administration (OPLA)  
Office of the Deputy Commissioner for Patent Examination Policy  
Anthony Caputa, Director  
Office of Patent Quality Assurance (OPQA)  
Mail Stop Comments Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450  
Email: [TopicSubmissionForCaseStudies@uspto.gov](mailto:TopicSubmissionForCaseStudies@uspto.gov)

Re: Docket No. PTO-P-2015-0074

#### DESCRIPTION OF COMMENTING PARTY

The National Association of Patent Practitioners (NAPP) is a nonprofit trade association for patent agents and patent attorneys. NAPP has approximately 400 members in the US and various foreign countries. The practices of the practitioner members are focused primarily on patent prosecution, namely practice before the USPTO. As part of NAPP's mission, we aim to create a collective nationwide voice to address issues relating to patent-prosecution practice. Additional information about NAPP can be found at [www.napp.org](http://www.napp.org).

The following comments are submitted in an effort to assist the United States Patent & Trademark Office (USPTO) in response to the request for comments, "Initiation of Pilot Program and Request for Program Topics," published in the Federal Register at 80 Fed. Reg. 79277 (Dec. 21, 2015).

NAPP welcomes this opportunity to assist and hopes that the USPTO will seriously consider the suggestions. NAPP is available to answer questions, comment further (formally or informally), or assist any other way considered useful. Please contact us at 919-230-9635.

## NAPP COMMENTS

### **General Comment:**

NAPP recognizes the efforts of the USPTO to foster and monitor patent quality among both the examining corps and the patent community, particularly the application of statistical analyses to the patent process to identify trends that may inform the ongoing discussion. The presentation of statistical conclusions as an observation of patent quality is also recognized as a daunting endeavor, due to both the inherent complexity of the patent examination process, and the abundance of disparate and even conflicting viewpoints within the patent community about the basic definition of patent quality.

Accordingly, while preparing this submission for the Enhanced Patent Quality Initiative, NAPP has specifically selected topics that may be evaluated using statistical techniques. Each topic includes suggestions of specific metrics that may be extracted from the USPTO's records to inform these studies and the identification of trends and conclusions.

Two particular considerations were applied during the selection of topics. First, studies were sought for which metrics may be extracted using automated data mining techniques, rather than a case-by-case review by a human reader. Automatically gathered metrics present two key advantages: the efficient collection of data from a large data set, and the reduction of variance in crucial patentability determinations that may reduce the accuracy and consistency of the resulting data. Second, studies were sought for which metrics may be collected across the USPTO's entire data set, and aggregated to identify generalized trends. It is recognized that the prevalence of an interesting event within one area may reflect the underlying details of a technology, market, or applicant, which may complicate the formulation of broad conclusions about patent quality. However, generalized metrics enable insights about patent examination at large.

NAPP does not explicitly make suggestions as to whether the statistics recommended below ought to be subdivided for comparison purposes, such as comparing different sectors (chemical, electrical, mechanical), examining groups, art units, or examiners, or how the gathered data ought to be used (e.g., whether it should go into examiner reviews).

In view of these considerations, the topics that NAPP proposes PTO study, which we believe seem have value and would be demonstrable via data mining and statistical evaluation, are listed and discussed below.

**Proposal 1:**

Topic: PTO should evaluate the quality of rejections (particularly art rejections, but also other substantive (non-form) rejections such as 101 or 112) by collecting and reporting statistics concerning the nature of responses of applicants to the rejection.

Measure: A study could break responses down into two broad categories:

1. The applicant elects to maintain the same claims or make minor (non-substantive, such as grammar or typographic) amendments.
2. The applicant elects to make substantial claim amendments or allow the application to go abandoned.

Rationale: In category 1, the applicant is essentially presenting arguments for why the rejection is wrong, and may even appeal to the Board. In category 2, the applicant is amending the claim after seeing the rejection. In general, the applicant's view of the rejection is more negative in category 1 than in category 2.

We recognize that this is not a perfect quality measure. For example, an applicant may make a bad argument (category 1) against a valid rejection. An applicant may make substantial claim amendments (category 2) in response to a bad rejection, for example to get something useful allowed (and the applicant may even go back for the original claims via a continuation). An applicant can allow an application to go abandoned (category 2) because of commercial reasons, or lack of funds, even when the rejection was a bad one.

Nonetheless, this information would be useful, we think, in judging broad trends. It is certainly more *likely* that rejections producing responses in category 2 have higher quality than rejections producing responses in category 1.

## **Proposal 2:**

Topic: PTO should evaluate the presence in issued claims of relative terms such as “substantially.”

Measure: The frequency with which office actions allow or reject relative claim terms.

Rationale: A key topic in the discussion of “patent quality” is the issue of definiteness: whether the claims sufficiently set forth and distinctly claim the subject matter of the invention, such that the scope of the patented invention is defined by the “metes and bounds” of the claim language.

The topic of definiteness occasionally arises in the context of a “relative” claim terms. For example, rather than specifying a precise numeric range such as a composition with a pH “between 2.0 and 6.0,” the applicant may recite a range of “*about* or *approximately* 2.0 and 6.0.” The use of such relative terms prevent competitors from using the claimed invention by making an insignificant change that falls just outside the strict confines of the claim, such as generating the claimed composition but with a pH of 6.001.

As to relative claim terms, MPEP § 2173.05 begins by noting that such are not “*necessarily* indefinite,” and “[have] long been found definite [if providing] enough certainty to one of skill in the art when read in the context of the invention,” such as where “the specification provides examples or teachings [of relative claim terms] that can be used to measure a degree even without a precise numerical measurement.”

Despite the significant discussion and guidance of MPEP § 2173.05, the resulting determination remains quite subjective, leaving a wide discretionary margin that may range between broad tolerance and near-universal refusal.

Patent quality is improved by consistent treatment of terms. It is poor quality to have inconsistent treatment across the office. At other levels of patent review, if a patent is issued with relative claim language that was deemed definite, but invalidated under 35 U.S.C. § 112(b) during *inter partes* review or infringement litigation, it is not indicative of good quality. Likewise, a determination by an examiner that a relative claim term is indefinite may be reversed by the PTAB via *ex parte* appeal.

In view of this uncertainty, a study of the prevalence of relative claim terms in pending and issued patent claims, as well as the prevalence of indefiniteness rejections, would have value. Corresponding metrics may provide insights that better guide both the examining corps and the patent community as to the acceptable use of relative claim terms.

### **Proposal 3:**

**Topic:** PTO should evaluate the quality of obviousness rejections, specifically the “motivation to combine” discussion.

**Measure:** A study could break rejections down into two broad categories:

1. Those that (a) entirely omit any discussion of combining the references, (b) use generic or boilerplate or non-specific language (e.g., “the combination would have been obvious to a person of ordinary skill in the art because it would make the equipment better”), (c) relies on the motivation stated in the applicant’s own application (e.g., “... because it provides the advantage that the specification describes”), or (d) in the case of a repeated rejection, refuses to clarify or effectively defend the motivation (e.g., “applicant argues that the combination is not motivated, but the argument is not persuasive” with nothing more).
2. Those that (a) contain full discussion of reasons for combining references, or (b) in the case of a repeated rejection, elaborate on the stated reason or dispute specific points in the applicant’s counterargument.

**Rationale:** The practices in category 1 are not proper under the *KSR* case and its progeny, which require an obviousness rejection to articulate a rationale based in logic or recognized in the prior art. *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 (2007); MPEP 2141 at Part III (“Office personnel must explain why the difference(s) between the prior art and the claimed invention would have been obvious to one of ordinary skill in the art”; “The key to supporting any rejection under 35 U.S.C. 103 is the clear articulation of the reason(s) why the claimed invention would have been obvious. The Supreme Court in *KSR* noted that the analysis supporting a rejection under 35 U.S.C. 103 should be made explicit. The Court ... stated that ‘[R]ejections on obviousness cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.’ *KSR*, 550 U.S. at 418”); *id.* at Part V (“Once the applicant has presented rebuttal evidence, Office personnel should reconsider any initial obviousness determination in view of the entire record.... All the rejections of record and proposed rejections and their bases should be reviewed to confirm their continued viability. The Office action should clearly communicate the Office’s findings and conclusions, articulating how the conclusions are supported by the findings”); MPEP 2144.

Despite these fairly clear statements as to what is required by a quality rejection, NAPP member observations find these requirements as ones widely ignored in actual practice. Frequently obviousness rejections seem to pay only the barest lip service to “articulated reasoning” for combining references, or even omit discussion of rationale entirely. Likewise, many subsequent office actions “blow off” the applicant’s rebuttal arguments with little substantive discussion. Additionally, NAPP members have encountered instances where the cited motivation to combine references is only found in the teaching of the present application – in direct contradiction to MPEP § 2145, which describes the motivation for combining references as proper “so long as it takes into account only knowledge which was within the level of ordinary skill in the art at the

time the claimed invention was made and does not include knowledge gleaned only from applicant's disclosure."

At least parts of this topic may require some judgment or knowledge of specifics to evaluate well. For example, although a clerk with little knowledge of a particular art area may be able to spot instances of a rejection wholly omitting discussion of rationale to combine, the same person may not find it easy to detect instances where the motivation to combine relies on the applicant's own specification. This topic, therefore, may be better suited (in whole or in part) to statistics derived from sampling techniques, rather than from longitudinal studies.

#### **Proposal 4:**

**Topic:** PTO should evaluate the prevalence of the “extension” of a reference under 35 U.S.C. § 103(a) to supplement its literal teaching with the knowledge of persons of ordinary skill in the art, as an alternative to taking “official notice.”

**Measure:** The frequency with which a claim is rejected under 35 U.S.C. § 103(a) citing only a single reference, or citing a combination of references along with a citation to a portion of the MPEP such as § 2143 (“modifying” a reference).

**Rationale:** In general, the legal foundation of patent examination require rejections based upon prior art (*e.g.*, 35 U.S.C. §§ 102-103) to be supported by the citation of references, and specific portions thereof, that provide the claimed subject matter.

One of the few exceptions to this requirement is the availability of “official notice,” which, as provided in MPEP § 2144.03, examiners may invoke to establish “facts asserted to be well-known, or to be common knowledge in the art.” However, the MPEP cautions that official notice should be “judiciously applied” to “rare circumstances,” and used only for facts that “are capable of instant and unquestionable demonstration as being well-known.” The MPEP also provides that when the exercise of “official notice” is challenged, the Office must “provide documentary evidence in the next office action if the rejection is to be maintained.”

Despite the availability of “official notice,” obviousness rejections are made where certain claim elements are neither explicitly provided by the references nor the subject of “official notice.” Rather, a rejection of this sort might include a statement such as the following:

“To the extent the cited reference(s) do not provide certain claim elements, an exemplary rationale that may support a conclusion of obviousness includes combining prior art elements according to known methods to yield predictable results. The claim elements were known to one of ordinary skill in the art at the time of the invention.”

This technique, which examiners sometimes describe as “extending” the explicit subject matter of the references, enables a rejection of selected claim elements with neither supporting prior art references nor the constraints of “official notice” noted above. Rather, the Office chooses to disregard or dismiss claim elements that are deemed trivial or uninteresting.

This tactic affects the “quality” of patent examination and hence issuing patents (or improperly rejected applications), by creating disputes over subject matter that are neither demonstrated by objective evidence nor subject to the processes concerning “official notice” provided in the MPEP. Although no portion of the MPEP permits this technique, NAPP members have observed this tactic with some frequency during ordinary examination, as evidenced by *In re Zurko*, 258 F.3d 1379, 1385 (Fed. Cir. 2001) and *K/S HIMPP v. Hear-Wear Techs.* 751 F.3d 1362 (Fed. Cir. 2014), as well as numerous PTAB cases such as *Ex parte Borgwardt* (PTAB Appeal No. 2012-009099); *Ex parte Daimer* (PTAB Appeal No. 2012-001427); and *Ex parte Gray* (PTAB Appeal No. 2009-002038).

### **Proposal 5:**

**Topic:** PTO should evaluate the frequency of the *sua-sponte* withdrawal of an office action or notice of allowance and issuance of a substitute office action or notice of allowance.

**Measure:** The frequency with which a second office action or notice of allowance is issued after a first office action or notice of allowance, without an intervening requisite response by the applicant, and the circumstances prompting this occurrence.

**Rationale:** In general, patent examination is organized as a response-driven, turn-taking process. In taking action, the applicant is expected to assert a single, complete response to the preceding office action of the examiner, and *vice versa*. The importance of this orderly process to the efficient completion of patent examination is apparent, *e.g.*, from specific procedural rules that prevent a disruption of this process (*e.g.*, MPEP § 714, which provides that a first reply to a non-final office action is entered as a matter of right but “supplemental” replies following the first reply are not entered as a matter of right).

In some circumstances, a pending first office action or notice of allowance may be withdrawn, and a second office action or notice of allowance may be issued with a materially different conclusion. For example, a notice of allowance may be withdrawn and substituted with a new rejection, or a second office action may alter the basis of the rejection (such as the citation of references) articulated in the first office action. These actions occur absent an intervening response by the applicant that procedurally triggers the substitute action.

Certain circumstances may justify some of these spontaneous actions. For example, the landmark Supreme Court decision of *Alice Corp. v. CLS Bank* altered the threshold test of patent eligibility under 35 U.S.C. § 101 in a manner that raised new questions in cases that had previously been deemed allowable.

However, other instances may be procedurally unsupported, such as process errors (*e.g.*, a failure to note that the applicant had not yet replied) or a change of heart (*e.g.*, a decision that, upon further review of the references, a notice of allowance was incorrectly issued instead of a prior art rejection).

Regardless of whether the rationale of the second office action or allowance is more accurate than the first office action or allowance, the *sua-sponte* action by the USPTO disrupts the turn-taking organization of the patent process. This disruption may render the applicant’s work on the first reply moot, and/or may create procedural exceptions and ambiguity in the record, such as whether claim amendments that are responsive to the first office action, but that is filed after the second, substitute office action or allowance (perhaps before the applicant was even notified of such), have or have not been entered.

Patent quality may be served by evaluating the prevalence of these incidents and determining common circumstances of those deemed procedurally unsupported, to reduce such incidents and improve the orderly conduct of patent examination.



## **Proposal 6:**

**Topic:** PTO should evaluate the quality of rejections by evaluating Office practices after final rejection (without applicant filing an RCE or similar applicant-initiated reopening).

**Measure:** A study could evaluate the frequency of each of the following:

1. Withdrawing a rejection after final.
2. Reopening prosecution or citing a new art reference after final.
3. Entering a new ground of rejections after final.
4. Presenting new arguments in support of previous rejections (e.g., switching from anticipation to obviousness based on the same reference, or arguing a different part of a cited reference).

The study should cover such events in all procedural scenarios after final, including the above actions taken based on (a) an interview with applicant, (b) a response from applicant to a final office action, (c) a pre-appeal brief request, or (d) an appeal brief, and also including (e) actions taken by the Board in an appeal decision or (f) by the group art unit after reversal of a rejection via appeal.

**Rationale:** The practices described are indicators of poor quality. Although NAPP members fully understand and support the right of an examiner to change his or her mind based on new information, the PTO's principles of "compact prosecution" and simple fairness to applicants suggest that examiners should not enter final rejections without full consideration. Some instances might justify exceptions, but they should not be widespread or common.

After final, Office rules prohibit material amendments of the claims, so an issue is joined as to generally fixed subject matter. Accordingly, a rejection withdrawn after final is one that probably should not have been made final in the first instance. If an SPE or group "appeal specialist," or the PTAB or a court, refuse to support or overturn an examiner's rejection, likewise the rejection is one that should not have been made.

If a group enters a new ground of rejection (whether in an appeal brief, at the PTAB, or after an appeal reversal), on the other hand, the new rejection is one that should have been made in the final rejection.

If new arguments are entered in support of the same rejection, again in general such arguments should have been presented in the final rejection.

The above practices are expensive and unfair to applicants. An applicant ought to be able to convince an examiner of a meritorious argument without going to the expense and delay associated with writing an appeal brief, much less a full appeal. We understand and sympathize with examiners who do not appreciate a counterargument made poorly by an applicant initially but clarified later via the more complete discussion in an appeal brief, and it may even be true that some instances exist where such belated action is wholly the fault of applicant. Nevertheless,

an examiner has at least shared responsibility to detect errors in his or her reasoning regardless of how effectively an applicant advocates against it.

Obviously no rejection system can be perfect, and we have appeal processes precisely to get a “second opinion” when there is a (hopefully honest) disagreement with the examiner. Some quantity of appeals or reconsideration thus must be expected. Despite the possibility of exceptions, though, practices of the kinds listed are, *on average*, indicators of poorer-quality examination. It is highly curious, for example, that past PTO quality measures or studies have not included (to our knowledge) simple consideration of the frequency of appeal reversals.

Items (a) and (b) are somewhat less troubling from a quality perspective than items (c) through (f), but they are still indicative of lower-quality examination. If a response to final or information in an interview causes reversal of a rejection, that is likely something that should have been fleshed out before final. Even in the case of the after-final pilot interview program, where applicant proposes a narrowing amendment and may obtain allowance, if the examiner enters such an amendment after final, entry is on the grounds that the amendment would impose little burden and the amendment would make the claim allowable. This often happens because the applicant suggests an amendment to import, from a dependent claim, an element that the examiner has previously searched or because the applicant suggests only modest clarifying wording. In those instances, however, compact prosecution suggests that the examiner should not have rejected the dependent claim in the final office action or suggested the clarifying wording in lieu of writing the final rejection.

**Conclusion:** Thanks again to the Patent Office for soliciting comment and for the anticipated consideration of the above suggestions.