

**From:** Chen Wang

**Sent:** Friday, January 27, 2017 3:07 PM

**To:** External Examination Time Study <ExternalExaminationTimeStudy@USPTO.GOV>

**Cc:** Vincent Garlock <vgarlock@aipla.org>

**Subject:** AIPLA Comments on Examination Time Goals, 81 Fed. Reg.73383 (October 25, 2016) Docket No. PTO-P-2016-0040

Dear Raul Tamayo:

AIPLA is pleased to submit the attached comments in response to the above-reference Federal Register Notice. Thank you for this opportunity to present our views.

Best regards, Chen

Chen Wang

Deputy Executive Director, Regulatory Affairs

**AIPLA**

**American Intellectual Property Law Association**

1400 Crystal Drive, Suite 600 • Arlington, VA 22202

(p) +1.703.412.4348 • (m) +1.571.232.8923 • (f) +1.703.415.0786

[cwang@aipla.org](mailto:cwang@aipla.org) | <http://www.aipla.org>

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# AIPLA

## American Intellectual Property Law Association

January 27, 2017

The Honorable Michelle K. Lee  
Under Secretary of Commerce for Intellectual Property and  
Director of U.S. Patent and Trademark Office  
U.S. Patent and Trademark Office  
600 Dulany Street  
Alexandria, VA 22314

*Attn: Raul Tamayo*

*Via email: [ExternalExaminationTimeStudy@USPTO.gov](mailto:ExternalExaminationTimeStudy@USPTO.gov)*

Re: AIPLA Comments on Examination Time Goals, 81 Fed. Reg.73383 (October 25, 2016) Docket No. PTO-P-2016-0040

Dear Under Secretary Lee:

### INTRODUCTION

American Intellectual Property Law Association (AIPLA) is pleased to have this opportunity to present its views on Examination Time Goals.

American Intellectual Property Law Association is a national bar association of approximately 14,000 members who are primarily intellectual property practitioners engaged in private or corporate practice, in government service, and in the academic community. AIPLA members represent a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property. Our mission includes helping to establish and maintain fair and effective laws and policies that stimulate and reward invention while balancing the public's interest in healthy competition, reasonable costs, and basic fairness.

### COMMENTS

We agree with the Office's efforts to understand the complexities of patent examination from the practitioner's viewpoint and to determine how examination time could be best spent to provide high-quality patents. We commend the Office for its outreach to the patent community. Our answers to the questions in the Notice are presented below along with additional comments.

Specific Questions Asked by the USPTO

Below appear the specific questions asked by the Notice, each followed by AIPLA comments.

**Question 1:** Do you perceive a difference in the quality of examination performed in complex technologies compared to less complex technologies? If yes, which do you perceive as higher quality and why? In what aspect(s) is the quality of examination higher?

Our members identified some differences in quality between the examinations done in different technologies, although they do not all necessarily stem from the level of complexity of the art. All technologies have inventions that are relatively simple and inventions that are relatively complex. Our members did not find significant differences among the technologies but did find some differences based on the complexity of the invention. More complex inventions typically have more claims and more complex prior art. References in more complex inventions, however, sometimes appear to be applied based on the results of a keyword search rather than a determination that a reference discloses a particular claim feature. Quality could be improved with: 1) a more complete first search of the invention as described and claimed including the inventive concepts toward which the claims appear to be directed (MPEP 904) and 2) more careful consideration of complex cited references.

Differences in examination quality appear sometimes from inconsistencies of approach in making rejections often linked to the nature of the art. For example, in some art areas there may be concerns over allowing claims that may later be held to be obvious or to lack novelty even when no art can be found that invalidates the claims. Some internet-related inventions come to mind. Furthermore, in some arts it may be easier to make hindsight reconstructions (e.g., in the mechanical arts, particularly where the invention is easy to understand once explained) or make unexpected claim interpretations under the rubric of broadest reasonable interpretation (BRI).

The proper consideration of evidence and Rule 130-132 declarations differs between technological areas. Because the chemical art areas typically receive more declarations, the examiners are more experienced with doing the evaluations, although some biotechnology examiners do not fully appreciate when the legal arguments properly overcome the scientific rationale and rejection advanced by the examiner. The consideration of evidence, specifically declarations, and the application of the law are areas ripe for quality improvement. More frequently, declarations are being submitted, and in some instances, the examiners do not properly consider them. Additional training and resources made available to the examiners and supervisors on the correct analysis of these materials would be helpful. This is increasingly true because inventions and evidence cross technology lines making the interpretation more challenging. Providing contacts in each TC for assistance on such cross-technology issues would also be helpful. In some areas, the art is applied but maintained in the face of evidence and applicable legal arguments, extending prosecution improperly, raising costs and resulting in lost patent term for applicants. While the P3 program on its face seems designed to rectify this situation, early results of the program are yet not clear but, thus far, do not appear to provide adequate resolution for applicants.

Similarly, the application of enablement and new matter rejections differs between the technological art areas. Again, because of familiarity, the chemical and biotech examiners make these rejections more frequently. Proper application of new matter rejections and close evaluation of support for claims, particularly in continuing applications, would improve quality of the patents issuing. In some cases following an allowance, continuing applications will be filed to obtain additional, usually broader, coverage of the invention with sometimes

weak support for the new claims. It is therefore very important that the Office carefully review these applications and consistently apply all appropriate statutes and rejections

Another difference in examination quality based on the technological field relates to the language utilized in describing the invention. In particular, in fields having a mature vocabulary, BRI construction is more predictable than in fields where the vocabulary is developing. For example, examination in chemical and mechanical technologies may be perceived as having a higher quality than examination in some electrical and software technologies due in part to the differences in maturity/standardization of vocabulary, despite these latter areas having more time for the examination. A proper and predictable BRI construction results in better art being cited and more focused rejections. We believe that additional training and supervision on BRI and especially the role of the specification in determining BRI would be beneficial. As described in the response to Question 4, below, we feel that many problems with the application of BRI may be mitigated by encouraging early interviews.

**Question 2:** What factors do you consider when estimating the amount of time needed to take various steps in prosecution, such as preparing responses to office actions or preparing for interviews? In particular, if you prosecute applications in a variety of technology areas, how do those factors vary among the technologies?

Several circumstances resulted in increased complexity of patent applications and consequently the time required for the completion of the activities. The preparation of applications has become more complex because of globalization and the desire of applicants to submit their applications in different countries. In order to satisfy the differing rules, laws, and legal standards of these jurisdictions, the applications have become longer, more complex with more detailed listing of embodiments and examples with the recitation of more claims. The way the invention is disclosed and the language utilized to describe aspects of the invention is more complicated in order to satisfy different rules, laws and legal interpretations of different patent offices.

In prosecuting and preparing applications, more time is required for those in areas which typically receive Section 101 rejections largely because the case law is still evolving, requiring more legal analysis and time to prepare responses to the rejections. Additionally, the examiners have a small number of examples of arguments or claims which will overcome the rejections creating challenges for practitioners, particularly for those applications drafted prior to the changes. This situation may change if the law becomes more settled.

The amount of time necessary for the preparation of a response or for preparing for an interview depends upon the nature and number of rejections and to some extent the particular examiner handling the application. More rejections and particularly a rejection under Section 101 will usually require more time and effort to prepare a response. The number of unrelated art grounds of rejection is also a factor because, for example, it is simpler if all Section 103 grounds build off of a single initial Section 102 or 103 ground than it is if there are several alternative Section 103 grounds that are independent of each other.

Improper rejections and ones that fail to adequately explain the application of the art or the interpretations of the claims or art also require more time because one must try to discern what is meant and then, to fully respond, prepare a response which covers all aspects or possible arguments. Much practitioner time is thus wasted and better explanations of the application of the prior art would improve efficiency. Differences in examiner experience level often dictate

the extent to which one or more interviews, additional responses, and RCEs may be required. In some instances, these differences may necessitate more practitioner time for the response or preparation for an interview. Examiner-specific factors include: length of time in the Office, legal knowledge; technical knowledge and interpersonal skills.

Complex inventions exist in most technologies, and we do find variability in the time required for activities based on the complexity of the invention. Complex inventions typically have more claims and have prior art that is more difficult to understand. The larger number of claims and the more complex art result in longer and more detailed office actions which require additional time for response.

Additional factors that impact the time needed for different prosecution-related tasks include:

- The length of the office action;
- The number of different grounds of rejection;
- The number and size of references;
- The practitioner's familiarity with the specific references;
- The extent to which an application crosses between technologies;
- The length and complexity of the application;
- Whether the application is of foreign origin;
- The practitioner's familiarity with the technology and the application (e.g., whether the practitioner prosecuting the application also drafted it) ;
- Likely need for inventor/expert involvement;
- Likely need for one or more Rule 130-132 declarations; and
- Likely need for legal research. This is a given with rejections under 35 U.S.C. § 101, but may be relevant on a case-to-case basis with other grounds.

**Question 3:** Are the applications you prosecute more or less complex than in the past, e.g., 10 years ago? What factors contribute to the increase or decrease in complexity? Do you believe the increase or decrease in complexity has affected the amount of time it takes to prosecute the applications? If so, by how much? Do you believe the increase or decrease in complexity has affected the quality of examination? If so, how?

We do not find significant differences in technological complexity in current applications versus applications filed in the past. Recent college graduates and practitioners who keep current with technology are familiar with the advances in technology. As noted above however, over the past 10 years globalization of invention coverage resulted in more complex applications. Additionally, the interpretation of the written description requirement has necessitated an increased number of examples to prove that the inventor has possession of the claimed genus. This primarily contributes to more time for practitioners in drafting applications.

Additional changes in the past 10 years are the developments concerning patent eligibility under 35 U.S.C. § 101. In preparing applications that include claims likely to be rejected under

Section 101 as patent-ineligible, more detailed descriptions of hardware and software than were required in the past may be necessary to support the claims. Prosecution of these applications may require more legal research and argument. This situation may, to some extent, be resolved as the law becomes more developed and, hopefully, more certain.

**Question 4:** In order to increase the quality of examination, do you believe that an increase in the time allotted for examination should be designated for specific activities, such as interviews, or left to the discretion of the examiner? What activities would you prioritize and allocate more time to?

We are concerned that, based on the nature of the question, an increase in time is believed necessary to improve the quality of office actions. Any such increase in time almost assuredly will be used to justify increased fees. The time allotted for examination must be balanced against the cost.

We suggest that the Office first identify any improvements that can be made at the current fee structure. For example, we believe that significant increases in quality could be achieved without allocating additional time by encouraging examiners to conduct an interview early in the prosecution and to focus on a complete search of what is claimed and what one can reasonably determine to be the invention from the specification. Investing in improving examiner skills such as, search techniques, claim interpretation and explanation of their rejections could be undertaken now.

Another change that could improve quality without allocating additional time is the elimination of "Count Monday." It is our understanding that supervisory examiners receive a large number of responses on the last day of the biweek. If the due dates for the responses were spread out, the supervisory examiner would be able to spend more time reviewing each action.

If additional time is allocated it may be best allocated to allow the examiner and any required supervisor more time to prepare for interviews, including describing the technology to the supervisor and identifying aspects of the invention, as described in the specification that would overcome the cited prior art and for the supervisor to review the underlying documents to ascertain the correctness of the approach. In some cases the reported action may appear correct and reasonable from a cursory review, but some problems may come to light upon closer review of the attorney arguments and references. Increased supervision, training and oversight of the work of the art units, which can be accomplished within the current time allocated, would contribute to greater consistency and quality of the work.

We do not know, however, that additional time will translate into greater quality. We would need to know how the time for performing the specific activities would be monitored, and how any perceived increase in quality would be measured. Currently, the USPTO assesses quality with random reviews of applications by the Office of Quality Assurance and a quality survey. It is not clear that either of these measures provides an adequate picture of the quality of the patent products or processes. The pre-appeal and appeal conference statistics reveal that about 30% of the applications in those programs are either allowed or have prosecution reopened, suggesting a greater error rate than reported. Furthermore, we do not know the correlation between the increase in time and the increase in quality. A large increase in time – accompanied by a large fee increase – would not be appropriate if it results in only a small increase in quality. More time does not appear to be necessary in all areas, but if more time for increased quality is believed appropriate for some technology areas, the challenge lies in identifying such areas, determining how much time is needed, determining how to achieve an

improvement in quality rather than quantity, and determining how to measure any improvement in quality. Because incentives drive behavior, any contemplated changes must be carefully considered. If the Office proposes a fee increase to allow examiners more time for a task, we ask the Office to provide a corresponding set of metrics for how the expected increase in quality as result of such an increase in time/fees will be measured.

Currently the time allocated is averaged across the applications, with the exception of extra time provided for interviews. It is difficult to prioritize the tasks of examination because they all are important. Allocating specific time for certain tasks does not ensure that it will be so utilized or translated into a better quality of examination. Allocating more time to particular tasks can have a negative impact and actually dis-incentivize the tasks. For example, providing more time for after- final consideration may result in fewer examiners actually considering an after-final amendment without any additional time. Also, it appears that the review of after-final response is in many cases perfunctory with little actual consideration of the response. This represents a step backwards although AIPLA understands and appreciates the efforts the USPTO has been making to improve after-final practice.

In many situations, particularly in the mechanical arts, a first office action is based on an asserted BRI that is broader than what applicant clearly intended. This is wasteful of Office and applicant resources. This waste could be reduced by encouraging interviews early in the examination process to arrive at a consensus on claim interpretation and an application of the prior art to a broad interpretation as well as what can clearly be discerned as the invention. A pre-search interview could afford an opportunity for the applicant to explain the invention and allow the examiner and applicant to come to a clear interpretation of the claims, hopefully circumventing wasted efforts for both parties. The failure to properly search the invention, properly interpret the claims and/or reference and treat the claims only broadly often results in a wasted first action and a second action final with new art leaving little recourse for applicant but for the filing of an RCE. This unfair practice occurs in all areas of the Office, seems to game the system, and undermines the perceptions of quality and positive impressions of the USPTO.

Accordingly, it may be desirable to encourage pre-examination interviews, where practitioners can describe the invention and examiners can suggest substantive amendments to make the claim scope clear and to address rejections that the examiners anticipate based on their experience in the art. The hypothesized pre-examination interview may reduce issues early in the examination process, resulting in greater efficiencies and increased quality. These interviews would assist both sides with the applicant presenting better, clearer claims and the examiner being more directed to the invention. These interactions also serve to educate less experienced practitioners on BRI and how examiners approach the claims.

**Question 5:** Are there any portions of office actions which you feel do not add value or quality to the examination? If yes, what are they?

Form paragraphs are of questionable value in the absence of analysis relating the facts of the present case to those of the case(s) cited in the form paragraph or analysis of how the subject matter of the form paragraph applies to the application under examination.

Our members did not identify any other specific portions of office actions that they believed did not add value or quality to the examination.

**Question 6:** What other activities beyond examining, such as research or training, could examiners spend time on that would add value? Why do you believe these activities could add value?

Our members identified several activities that would be beneficial. These include:

- Forums with attorneys prosecuting applications to better understand the applicant's perspective on patent prosecution and forums with examiners for attorneys to better understand examiners perspectives;
- Interviews early in the prosecution, even before the search, to gain a good understanding of the invention and the proper interpretation of claim terms before beginning substantive work;
- Training for examiners and supervisors on the evaluation of declarations and other evidence and how these may overcome a rejection:
- Establishment of contacts in each TC to serve as a resource for examiners and supervisors from that TC and other TCs on the evaluation of evidence, particularly for cross-technology inventions or evidence;
- Technical training in the relevant subject area;
- Better training on how to search patent and non-patent literature, particularly the latter;
- Forums with professional searchers to identify best practices and ways to better find the best art;
- Benchmarking and discussions with other patent offices on best practices for searching and examination; and
- Education for practitioners on BRI to better understand how examiners might reasonably interpret claim language.

**Question 7:** While the focus of this request for comments and the roundtables is to find the appropriate amount of time for examination, cost and pendency are also contributing factors. Do these factors raise a concern that should be considered?

Cost and pendency are both important to our members and should be carefully considered. Many applicants and especially start-up small businesses are very sensitive to cost. Increased fees may result in fewer patents being filed and important inventions going unprotected. Similarly, if it takes too long for a patent to issue, small-business applicants may have difficulty raising funds. In addition, licensing revenue may be lost because the useful life of the patent – the time from issuance to the technology becoming obsolete – may be reduced. The current Track One option already allows a reduction in pendency with additional up-front cost.

As described above, the main concern is that any increase in fees related to allowing increased time for examination must result in a commensurate increase in patent quality. If more time were given, pendency might also be affected by allowing more time for examination because the same number of examiners would necessarily examine fewer applications in a given time period. If, however, the increased examination time resulted in higher quality and fewer requests for continued examination (RCEs) and/or appeals, the increased time may improve



both cost and pendency, which are very important for many applicants. A small increase in pendency might be acceptable with an increase in quality. However, pendency is easy to measure and quality is not. It is not clear what impact current programs, such as the AFCP 2.0, have had on the number of RCEs filed but the number of RCEs filed has increased dramatically since about 2004, despite the efforts of the Office to reduce them. In 2004, RCEs represented about 12% of filings, but in 2016, they were close to 30% and, if deemed necessary to receive a patent, applicants will continue to file them. Currently examiners receive 1.75 or 2.0 counts for examining an RCE, which, as acknowledged by the USPTO, requires less time and effort by the examiner. The increase in the number of RCEs being submitted already has provided some relief for examiners because a larger percentage of their work has already been done once. Unfortunately, the current incentives, unwillingness to consider after final amendments, and lack of oversight drive the filing of RCEs. The counts given for RCEs represent a far greater incentive for examiners than the 2-3 hours allotted for an after final consideration and will likely continue to outweigh any extra time allocated for specific tasks perpetuating the drive for RCEs. Additionally, while the goals for examiners are asserted to have changed little since 1976, we understand that Director Kappos allotted more time to all technologies; in the 1980s some targeted areas (biotechnology) received additional time (four hours); and, as a result of the reclassification of extensive electrical art areas, those areas were allocated more time. Consequently, it appears that many examiners already receive more time for examination than they did in 1976.

#### **Additional Comments:**

Based on our members' efforts to answer the specific questions, we noticed that three issues were noted in many of the responses: the need for proper claim interpretation, the benefits of early interviews and the need to improve after-final practice. Efforts to improve examination in these areas would be beneficial both to practitioners and to the Office.

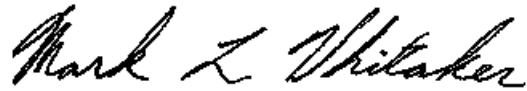
To improve quality and increase efficiency for both the Office and practitioner by reducing the back and forth communications, it is suggested that:

1. The examiner should clearly articulate the application of the reference to specific claim limitations by identifying the section passage (paragraph or column and line number) of the reference that is alleged to show the claim limitation. If there is not an *ipsis verbis* or very close match between the language of the claim limitation and the cited section/passage, the Examiner should articulate his/her interpretation of the claim limitation to make clear on the record what aspect of the claim limitation is considered by the Examiner to be taught or suggested by the cited section/passage of the reference.
2. Merely reciting that "the reference teaches *x* by reciting the language of limitation *x*" of the claim is not helpful. It does not make clear what aspect of the reference the Examiner believes meets the language of the claim, or what interpretation of the claim language the Examiner has in mind. Reciting the language of the reference, and if necessary, the interpretation of a claim limitation as read by the Examiner, clarifies the position of the Office.

CONCLUSION

AIPLA acknowledges the effort by the USPTO to improve examination time goals. These comments are provided in the spirit of making proposed changes in a way that is compatible with the needs of our members. Thank you for allowing AIPLA the opportunity to provide comments on the proposal.

Sincerely,

A handwritten signature in black ink that reads "Mark L. Whitaker". The signature is written in a cursive, flowing style.

Mark L. Whitaker

President

American Intellectual Property Law Association