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Sent: Monday, January 30, 2017 2:55 PM

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Subject: Comments of Google Inc. on USPTO Request for Comments on Examination Time Goals

Please find attached the comments of Google Inc., responding to the USPTO's Request for Comments on Examination Time Goals.

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INTRODUCTION AND SUMMARY

Google submits these comments in response to the PTO's request for comments on examination time goals.¹ Google commends the United States Patent and Trademark Office (the "Office") for its ongoing efforts to improve patent quality and for re-evaluating examination time goals to determine "the time needed by examiners to conduct quality examination."² We appreciate this opportunity to provide input on examiner time and improving patent quality. Google recognizes the importance of these issues since we prosecute thousands of applications each year before the Office, and our inventors regularly place Google among the top ten U.S. patent recipients. At the same time, Google regularly defends against a large number of patent suits predicated on invalid patent claims that should not have been issued. The issuance of invalid and unclear patents significantly undermines the patent system's ability to foster innovation by creating uncertainty and raising costs for innovators.

Patent examiners and the Office carry the heavy burden of ensuring that the patents that do issue are of high quality, valid and clear.³ This is a challenging task, and the current system does not adequately account for the demands of the work. Efforts to improve excellence in work product must ensure that the Office's many hard working examiners have sufficient time and the right incentives to do the job. This will also involve improving the process for monitoring examination, and shifting the examiner's focus from meeting quotas to generating thoughtful and thorough claim analysis. The evaluation of the time needed to conduct a thorough and thoughtful examination must be based on appropriate quality metrics for measuring the work produced.

As an integral part of evaluating examiner time, the Office should also evaluate and modify both the count system and compact prosecution to address inherent inefficiencies in the examination process. Examiner time, counts, and compact prosecution are inexorably linked and together create incentives for applicants and examiners that impact patent quality. The Office should consider how to modify the examination process to create incentives that foster patent quality, process predictability, and efficiency. Google therefore proposes modification of the count system to recognize all of the examiner's work performed in a thorough examination and modification of compact prosecution to bring finality into patent examination.

It is imperative to patent quality that all examiners have the skills and the time necessary to carefully examine applications that—when issued—meet high quality standards that protect the public from improvidently granted patents. To improve consistency of patent quality, examiners should have adequate time not only to conduct a thorough examination, but to receive ongoing technical and legal training, participate in effective supervision, and engage in mentoring. Thus, the Office should provide

¹ See USPTO *Request for Comments on Examination Time Goals* Dkt. No. PTO-P-2016-0040, 81 Fed. Reg. 73383 (Oct. 25, 2016) ("Request").

² Request at 73383.

³ See U.S. Government Accountability Office, *Patent Office Should Define Quality, Reassess Incentives, and Improve Clarity*, Publication No. GAO-16-490 (June 2016) at 2, 11, 40 ("Government Accountability Office")

examiners with time and productivity goals that enable these three objectives.

I. Fundamental Systemic Issues Should be Addressed when Evaluating Time Goals

Google supports the PTO's evaluation of examiner time. But we also suggest that any consideration of this topic should include a transparent reevaluation of:

- the PTO “count” system, whereby examiner work quantity is recognized and rewarded;
- the PTO process for evaluating and measuring the quality of examiner work; and
- the PTO policy of allowing applicants to make an indefinite number of Requests for Continued Examination (RCEs).

1.1. The Office Should also Look at the Structure That the Hours Feed Into—the Count System

Examiners should be given the time that they need to provide quality examination, and the count system should support that goal. The Office should evaluate whether the current count system allows for the examination and oversight needed for the issuance of high-quality patents. Some have argued that the current count system overemphasizes meeting numeric quantity goals and quotas and devalues meeting quality requirements, which incentivizes behavior that may result in the issuance of undeserving patents.⁴ A critical step in addressing this issue will be careful review of how the Office measures and evaluates the quality of examination work. More transparency on this topic would promote discussion and improve the process.

1.2 Count System is Fundamentally Flawed Because it Drives Repetitive RCE Practice without Incentivizing Full Engagement by Applicants

1.2.1 Lack of Finality and the Count System Provide Incentive to Drive RCE Filings

The lack of finality due to the absence of limits on the number of times the applicant and the examiner can engage over a single claim set can harm patent quality. Some applicants have little incentive to define claim terms, set forth fulsome arguments responsive to rejections, explain claim amendments, or describe “the invention” in writing — all necessary prerequisites for a clear record that gives the public a good understanding of the metes and bounds of the claims. A patent applicant may instead be incentivized to “wear down” the examiner by filing repeated RCEs in the hope the examiner will give in and allow the claims, perhaps based on a trivial distinction.⁵ This strategy can preserve arguments and broad claim

⁴See Clarisa Long, *The PTO and the Market for Influence in Patent Law*, 157 U. PA. L. REV. 1965, 1990-91 (2009); see also Office of Inspector General, Department of Commerce, USPTO Needs to Strengthen Patent Quality Assurance Practices, Final Report No. OIG-15-026-A (April 10, 2015) at 18, (“Inspector General’s Report”) (explaining how some Examiners use quarterly end loading to pressure supervisors to approve decisions without sufficient time to review).

⁵ See Michael D. Frakes & Melissa F. Wasserman, *Does The U.S. Patent And Trademark Office Grant Too Many*

interpretations that an applicant might one day use in litigation to unjustifiably expand the scope of the patent grant. This gamesmanship, facilitated by a lack of finality, has a negative effect on patent quality.

The lack of finality in prosecution also harms predictability. Uncapped RCEs make it unclear if and when a patent application will reach a decision by the PTO. Today, the public is left wondering for an indefinite period what the scope of rights may end up being, which can have a negative impact on follow-on innovation.

Efficiency also suffers. Examiners cannot issue pointed and full rejections when applicants have little incentive to draft claims that clearly define the invention. And examiners are effectively incentivized to drive repetitive RCE practice in order to obtain counts that provide them with additional time to examine the application, counter to the principles of compact prosecution.

1.2.2 Conflicting Incentives in RCE Practice are not Addressed by the PTO's Expansion of After-Final Pilot Programs

The Office has expanded the after-final pilot programs multiple times in an effort to reduce the inherent inefficiencies of RCE practice.⁶ However, these programs do not address the fundamental flaws in the existing process that result in RCEs and premature appeals. The time limitations imposed on examiners by the count system, and the cost of RCEs, which require applicants pay for two further rounds of examination, create conflicting views of after-final practice that drags down efficiency in the Office. As long as the conflict exists, the Office will be pressured to continue attempts to modify and expand after final practice.

II. Proposal to Modify Compact Prosecution

The Office should modify the examination system so that it promotes patent quality, process predictability, and prosecution efficiency by addressing the lack of finality that currently permeates the system and undercuts these important goals while preserving enough flexibility to make examination fair for applicants. Google proposes that the Office can accomplish these goals and reduce current inefficiencies by eliminating the RCE system's arbitrary "two bites plus after-final practice" cycle and implementing a system that encourages applicants and examiners to narrow the case to the fundamental disputes before any after-final practice and appeal.

Under our proposal, the Office would eliminate final rejections as they currently exist, abolish RCEs, and instead employ a process that:

- (1) allows applicants to receive multiple office actions;
- (2) requires examination fees with each response after the first;
- (3) closes prosecution before the examiner after a set number of office actions;
- (4) allows applicants to have the case reviewed by a panel of examiners at the close of prosecution;

Bad Patents?: Evidence From A Quasi-Experiment, 67 Stan. L. Rev. 613, 616-617 (2015).

⁶see Post-Prosecution Pilot Program (July 11, 2016), 81 FR 44845; *New Pre-Appeal Brief Conference Pilot Program*, Official Gazette (July 12, 2005); After Final Consideration Pilot Program 2.0 (May 17, 2013), 78 FR 29117; see also Post-Prosecution Pilot Program (July 11, 2016), 81 FR 44845

and

(5) requires applicants to appeal to the board or abandon the application if the PTO maintains the rejection after panel review.

Modifying the prosecution process to have a defined stopping point will promote predictability and efficiency. In a system such as the one proposed, with a capped number of office actions prior to appeal (perhaps four or five), applicant, examiner and the public will know what the length of prosecution is going to be from the outset. The patent applicant and the examiner can have an uninterrupted and efficient conversation on the patentability of the claimed invention. The process is not frustrated by the arbitrary pauses and ramp-up of the RCE process. At the same time, the public does not face the uncertainty of potential claims issuing many years after filing.

Currently, the decision of whether to appeal or continue prosecution is solely the applicant's. The creation of a predictable stopping point in prosecution will beneficially enhance patent quality by incentivizing patent applicants to clarify claim scope early in the process. The new "structural incentive" of a stopping point would foster behaviors like providing a more detailed description of the invention in the specification, providing definitions for key claim terms, and submitting fully supported patentability arguments in response to rejections. This in turn would give the examiner a better understanding of the invention needed to provide a quality examination and give more clarity to the public on the scope of a patent that issues. Moreover, examiners would be further encouraged to find the best prior art and pursue the most accurate rejections as efficiently as possible, since their work on a case would be limited and reviewed by a panel of their peers or supervisors. Importantly, both the patent applicant and the examiner would be motivated to engage in truly "compact prosecution" — a finite process that promotes a meeting of the minds on the claimed invention.

This proposal would also dovetail nicely with a modified count system. Examiners can be given "counts" for work performed at each and every step of prosecution. The count system may provide more time for the first office action, and be based on the amount of time needed to perform a thorough first examination. Subsequent office actions, particularly where claims are merely amended not added, can receive lesser count values, but still allow time for a thorough review. This system would maintain the current focus on the first office action, but enable examiner's time to review office actions and generate further thoughtful and well-reasoned communications and clarity of the record at each stage of prosecution. Examiners should also be given adequate credit for interviews and panel reviews, as these activities support the goals of compact prosecution and improved consistency in patent quality.

III. Responses to PTO Questions Regarding Examination

Google provides further comments in view of the questions, particularly questions 1, 4, 6 and 7, set forth in the Request.

3.1 Quality Should be Evaluated and Supported

Patent examination has become more complex. Some applicants draft applications with intentionally vague and unclear terminology. During prosecution, claims are often amended and new

terminology is introduced that is undefined in the specification. In some technologies, common terminology has not been established and different authors refer to the same thing using a wide variety of terminology. In rapidly developing technologies, complexity results from the pace of advancements, the variety of academic and corporate activities, and the magnitude of publications and patent filings that are being generated. In older, well-established technologies, complexity comes in the form of a large amount of prior art that must be reviewed to appropriately consider a potential obviousness rejection.

Most examiners are highly skilled and deal well with these challenges. But an examiner's skills and experience, coupled with the level of supervisory oversight applied, create significant variations in the quality of the examination that are mostly independent of the technical complexity of the application. As an integral part of its review of examination time goals, the Office should identify improved quality measurements and provide supervision that allows accurate, meaningful, and reliable assessment of all examiners. Training must be provided to raise quality in those areas where improvement is needed. Mentoring and collaboration can help to insure that examiners are continuously developing their professional skills and applying those skills to their work product.

3.2 Office Should Allocate Adequate Time for Thorough Examination, Mentoring, Supervision, and Training

According to the GAO survey of patent examiners, GAO estimates the 70% of examiners do not have adequate time to provide a thorough examination.⁷ While examiners should apply the time needed for specific issues raised in each application that they examine, there are several areas which merit continued focus and adequate time allocation to consistently improve quality, as they are recognized as being necessary for producing a quality patent.⁸ We continue to see variable quality in these areas.

3.2.1 Knowledge of the State of the Art

Examiners need a strong foundation with respect to the technology that they are examining. Applicants are often trying to obtain the broadest possible claims, and examiners are put in the difficult position of proving that the applicant is not entitled to the patent claims being sought. This places a heavy burden on examiners to have a firm understanding of the prior art to insure that patents do not carve out for the applicant subject matter that should be in the public domain. Knowledge of the state of the art can be acquired through a variety of means, and acquiring and maintaining that knowledge should be a core element of an examiner's job.

3.2.2 Conducting a Thorough Search

Examiners must have adequate time and skills to conduct a thorough search for prior art. Google

⁷see Government Accountability Office

⁸ see Request

supports the Office's proposal to increase automated pre-examination searches.⁹ While a pre-examination search cannot substitute for a full search by the examiner, the results can help inform the examiner about the particular area of art so that a more efficient, better-focused search can be conducted during full examination. The Office should also encourage and insure time for ongoing search mentoring and collaboration by recognizing examiners who are particularly proficient searchers and providing them with time to teach effective search techniques to junior examiners.

3.2.3 Vigorously Enforcing Definiteness Requirement of Section 112

The definiteness requirement is the primary mechanism of the patent system for ensuring that claims have clear boundaries that provide the public with fair notice of what is protected and what is not. Vague or overbroad claims deter innovation. The Office and its examiners have a duty to protect the public by strictly enforcing Section 112 at each stage of prosecution.¹⁰

Based on the GAO's survey of patent examiners, GAO estimates that nearly 90 percent of examiners always or often encountered broadly worded patent applications, and nearly two-thirds of examiners said that this made it difficult to complete a thorough examination.¹¹ Examiners need to be guidance, through training, mentoring, and supervision, on how to strongly enforce compliance with the definiteness requirement of Section 112 and require patent applicants to clearly define the boundaries of what is being claimed. Examiners also need time for thoughtful analysis of the claims and vigorous enforcement of the definiteness requirement. More examiner time can be a heavy counterweight to the strong incentives that applicants face to pursue vague or ambiguous claims.

3.2.4 Enforcing Enablement and Written Description Requirements of Section 112

The constraints of the count system may limit the amount of time examiners have to adequately review the specification to ensure that the enablement and written description requirements are met. The Office should ensure that adequate time is provided at each stage of examination for a thorough review of these requirements. The Office should also provide examiners with the time needed for additional training to address these requirements.

The Office should especially provide time to address Section 112 in families having multiple continuations, large claim sets, or early priority dates. These conditions often indicate that an applicant may be seeking overly broad claims in order to capture later market developments.

3.2.5 Proper Application of Section 103

⁹ Request at 6479

¹⁰ *See, e.g.*, MPEP 2173

¹¹ *See* Government Accountability Office at 2

Section 103 is meant to ensure that issued patents represent meaningful technological contributions to society, and not obvious improvements to existing technology. If the bar is set too low, the resulting patents will deter innovation by barring the free use of technology that should be in the public domain. In the software and high technology areas, the Section 103 bar is often set too low, with examiners allowing claims that cover only minor, if any, improvement over existing technology.

The Office should provide examiners with increased training on both the proper evaluation of a claim for obviousness and application of the claims to the art, and ensure that adequate time is available to formulate and communicate a well-reasoned rejection when appropriate. The Office's increased technical training, addressed above, should be designed to ensure that examiners understand the state of the art, and what constitutes a nonobvious advance.

3.2.6 Ensuring a Clear and Complete Record

The PTO has proposed several steps be taken to bring clarity to patents and to their prosecution record that Google generally supports.¹² In the patent system, a clear understanding of each party's rights is necessary for the success of the participants and ultimately the system itself. In contrast, obscuring information regarding the thing patented—through ambiguous claiming and less-than-forthright patent prosecution—hurts the public.

Examiners should be trained and given the time during prosecution to ensure that applicants maintain clarity—by working with applicants throughout the prosecution to make certain that the record demonstrates that (1) all claims limitations are supported, (2) all key terms are defined, and (3) claim language used to overcome rejections is construed.

3.2.7 Conducting Interviews

In interviews, patent examiners negotiate with lawyers, who frequently have more experience, and strong incentives to obtain the broadest claims while limiting clarity of the record. Examiners can benefit from negotiation training and having adequate time to prepare for interviews. This will also promote a more fulsome discussion between the Office and the applicant in interviews. Examiners also need adequate time to produce a clear record of the interview.

3.3 Applicants Should Pay any Additional Costs Needed to Account for Changes in Examiner Time

A patent application is a request that the Office remove subject matter from the public domain and give it exclusively to the applicant. Many applicants claim the right as broadly and vaguely as possible, often without conducting a thorough search of the state of the art. Examiners are in the position of having to prove that the claims should not be granted. We expect that a robust time study will demonstrate the need for increased examiner time goals, which may increase examination cost. If

¹² Request for Comments on Enhancing Patent Quality, PTO–P–2014–0043, 80 Fed. Reg. 6475 (Feb. 5, 2015)

additional fees are required to provide examiners with adequate time to provide a thorough examination, and develop the professional skills essential to their profession, then applicants should pay for it either at the time of filing or when maintenance fees fall due.

Google recognizes that pendency may vary as a result of changes in the number of applications being filed or the average amount of time examiners spend examining applications. Changes in pendency should be transitory and can be overcome in time by various means, such as hiring. Additionally, Google believes that the Office can actually reduce pendency, reduce rework in the same application or application families, and produce more certainty in the amount of time needed to prosecute a patent application by introducing the stopping-point reforms to RCE practice proposed above.

CONCLUSION

Google again applauds the PTO and its examiners for their continued serious examination of issues that affect patent quality. Google believes that a reevaluation of examiner time along with the proposed approach to examination practice will assist the Office in creating a more efficient and higher quality examination. We thank the PTO for the opportunity to provide our views.