

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re: Request for Comments on  
Optimum First Action and Total Patent  
Pendency

Docket No. PTO-P-2014-0025  
79 Fed. Reg. 38854

**COMMENTS OF PUBLIC KNOWLEDGE**

Attn: Gregory L. Mills  
Office of the Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450  
patent\_pendency2014@uspto.gov

September 8, 2014

Public Knowledge respectfully submits comments in response to the Request for Comments on Optimum First Action and Total Patent Pendency dated July 9, 2014.

**I. Patent Quality Is the Primary Focus of the USPTO, and Improvements to Pendency Should Not Detract from Quality**

Briefly, Public Knowledge supports the USPTO's efforts to improve patent pendency, and urges the USPTO to simultaneously maintain and enhance patent quality. Low pendency is an important goal of patent examination, but issuance of clear, valid patents is and always will be the foremost goal of the USPTO.

Quality of patents has substantially more significance than pendency time. Pendency of an application affects a single applicant for a period of months, but quality of a patent affects the entire American public for the entire 20-year term. While certainly the interests of applicants and the public are aligned in efficient patent grants that enable invention and commercialization, those interests are only aligned when the granted patents serve the balanced constitutional aim of promoting the progress of science and the useful arts, through high quality patents.

In particular, the USPTO should be mindful of how pendency requirements on already overtaxed examiners risks establishing rational perverse incentives for

applicants to generate larger filings. Where an examiner is pressed for time, applicants may file lengthy specifications and claims in an effort to force the examiner to choose between being quick and being careful.

Indeed, research already shows that patent specifications have doubled in word count between 1987 and 2007, and longer applications are more likely to be granted.<sup>1</sup> Further research has found that “as examiners are given less time to review applications, the less prior art they cite . . . and the more likely they are to grant patents.”<sup>2</sup> Prolix patents are not necessarily quality patents, so in light of these statistics, incentives toward prolixity should be avoided.

Thus, the comments below consider how the USPTO’s metrics for quantifying optimal pendency may be refined in a technologically neutral and pragmatic fashion to strike the correct balance among the interests of the public, the production capacity of examiners, and concerns of patent applicants.

## **II. The PTO Should Adopt Median Pendency as Its Primary Metric for First Action Pendency**

Issue 1 identified by the Request for Comments relates to the usefulness of average first action pendency as a target metric.

A well-recognized statistical concern with the use of averages for time durations is that they tend to overemphasize outliers, particularly at the longer end. For example, if an examiner handles nine applications in 9 months but takes 20 months for one application, then the examiner’s average first action pendency is over 10 months, despite the fact that the examiner completed the vast majority in under 10 months.

---

<sup>1</sup> See Dennis Crouch, *The Rising Size and Complexity of the Patent Document* (U. Mo. Sch. L, Res. Paper No. 2008-04, Feb. 20, 2008), available at [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1095810](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1095810); Dennis Crouch, *Patent Specifications Continue to Rise in Size*, Patently-O (Apr. 23, 2012), <http://patentlyo.com/patent/2012/04/patent-specifications-continue-to-rise-in-size.html>.

<sup>2</sup> Brian Fung, *Inside the Stressed-Out, Time-Crunched Patent Examiner Workforce*, Wash. Post: Switch Blog (July 31, 2014) (citing Michael D. Frakes & Melissa F. Wasserman, *Is the Time Allocated to Review Patent Applications Inducing Examiners to Grant Invalid Patents?: Evidence from Micro-Level Application Data* (Nat’l Bureau of Econ. Research, Working Paper No. 20337, July 2014)), <http://www.washingtonpost.com/blogs/the-switch/wp/2014/07/31/inside-the-stressed-out-time-crunched-patent-examiner-workforce/>.

“Statisticians often use the median rather than the average,” concludes one statistics textbook, because “the average might pay too much attention to a small percentage of cases in the extreme tail of the distribution.”<sup>3</sup>

Median pendency, as at least one commentator notes, paints a more accurate picture of USPTO performance.<sup>4</sup> Furthermore, it sets the right examination incentives. Median pendency metrics would encourage examiners to process ordinary applications in an efficient manner, without forcing them to forego thorough examination of unusually complex cases in the interest of reducing an average metric.<sup>5</sup> Thus, the USPTO should adopt median pendency, rather than average pendency, as its primary metric.

### **III. Pendency Targets Should Be Calibrated to the Individual Circumstances of Prosecution Unique to Each Technology Center**

Issue 3 of the Request for Comments relates to whether the PTO should develop pendency targets specific to Technology Centers or other units, rather than a single target across all applications.

The USPTO should consider more individualized patent pendency targets at the Technology Center level, to better account for the realities of prosecution, which are not uniform across TCs. In order to maintain high quality, examiners must give each application its due and necessary consideration, and a rigid across-the-board target will overemphasize productivity in some TCs and underemphasize it in others.<sup>6</sup>

If all TCs were held to the same pendency standard, then when a specific TC receives double, or triple, or quadruple the volume of patent applications as another, its examiners would be put in a “doomed-if-you-do, doomed-if-you-don’t” scenario.

---

<sup>3</sup> See, e.g., David Freeman et al., *Statistics* 56 (1980).

<sup>4</sup> Dennis Crouch, *Patent Pendency Time Series and Why Care About Prosecution Delays*, Patently-O (Sept. 10, 2012) (“Prosecution pendency tends to have a substantial skew [that] allows a small number of patents with exceedingly long pendencies to shift the averages. Relying on the median eliminates that difficulty.”), <http://patentlyo.com/patent/2012/09/patent-pendency-time-series-and-why-care-about-prosecution-delays.html>.

<sup>5</sup> Certainly the PTO should not ignore long-pending outlier cases entirely, but such cases should be identified and specially reviewed, rather than being mixed into an average metric.

<sup>6</sup> A single pendency target would make sense for high-level policy such as staffing and hiring to balance the examining corps, but not where pendency targets affect examiner performance metrics.

Examiners would either rush through applications to meet the 10-month target, sacrificing the full and thorough examination necessary for high quality patents, or miss employment-critical performance targets in order to fully examine every application.

In setting individualized pendency targets, at least three considerations seem to be of particular importance. First, the volume of applications, relative to the size of the examining corps, as explained in the previous example, should affect pendency targets for each unit. Second, length of applications, measured for example in numbers of claims, should be considered to avoid incentives toward prolixity. Third, longer pendency should be permitted where large quantities of IDS references are submitted (particularly when copending litigation throws mountains of court filings on an examiner), to ensure that examiners can give adequate consideration to cited references.<sup>7</sup>

It is well accepted that the USPTO should apply uniform examination practices to all technologies. Thus, the above factors are not based on particular technology areas, but rather the mathematical realities that distinguish individual Technology Centers. In this way, individualized pendency targets do not constitute discrimination by subject matter, but rather a basic recognition that increased application volume mathematically demands longer pendency times, should applications be given equal treatment. Such individualized pendency targets should be adopted.

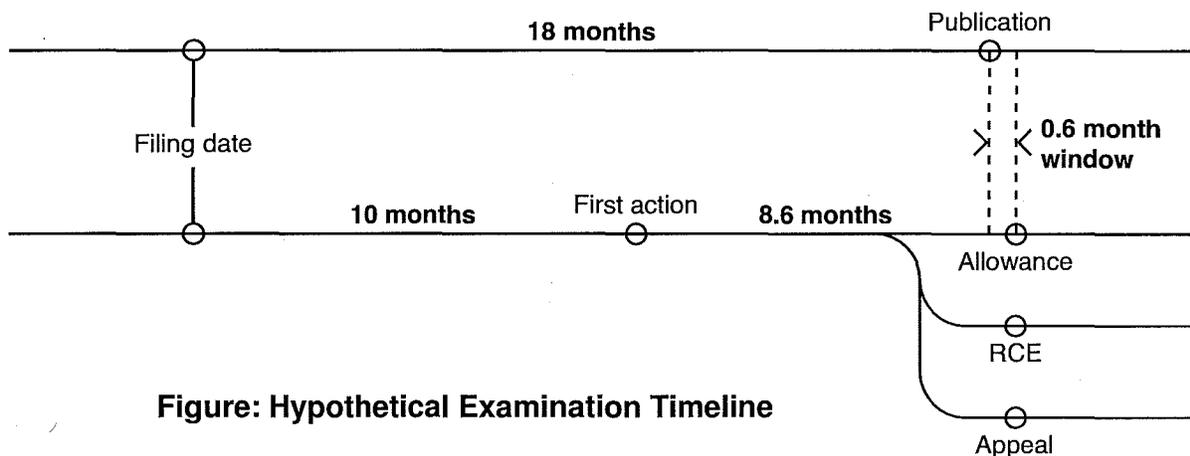
#### **IV. Any Acceleration of the First Action Should Preserve the Effectiveness of the Third Party Submission Process**

Issue 5 of the Request for Comments considers unintended consequences of low pendency targets resulting from “hidden” prior art and preissuance submissions.

The AIA preissuance submission process is a key mechanism for crowdsourcing prior art searching. A key component to patent quality is a comprehensive prior art review, so preissuance submissions help to improve patent quality. Thus, pendency policies should not weaken this necessary bolster to the patent system.

---

<sup>7</sup> As a side note, the USPTO may wish to consider investigating and/or taking public comments on the increasing problem of large IDS submissions in applications with related litigation.



**Figure: Hypothetical Examination Timeline**

However, too accelerated a timetable creates a risk that an application will be disposed so quickly that no effective third party submission could be made. Consider the expected examination timeline, illustrated in the above figure. As can be seen, with a 10-month first action target date, final disposition will likely occur on average 18.6 months after filing.<sup>8</sup> Thus, publication of the application will occur a mere 0.6 months, or about 18 days, before final disposition of the application. Thus, any preissuance submission could only be filed near or after final disposition.

A preissuance submission filed near or after final disposition of an application is ineffective. If the application is appealed, then the prosecution record is closed and no preissuance submission will have effect. Even if the application proceeds to RCE, the examiner has likely settled on the lead prior art already, so a preissuance submission will be of little value. And in the not-unlikely event that the application is allowed, 35 U.S.C. § 122(e)(1)(A) bars subsequent preissuance submissions entirely.

In such a scenario, preissuance submission becomes a useless mechanism. For third party submissions to have any effect on decreasing the patent thicket, third parties must be able to see what applications require their attention. Otherwise, a key patent quality measure of the AIA would be eviscerated, the quality of issued patents will be lower than possible, and parties will be forced to resort to costly litigation to resolve issues that could have been headed off at the outset by the USPTO.

<sup>8</sup> The figure of 8.6 months is based on the difference between traditional total pendency, at 27.5 months, and first action pendency, at 18.9 months, as reported on the USPTO dashboard.

It is noteworthy that this is a different problem than the one identified in the Request for Comments, which related to the availability of other prior art at the time of examination. The USPTO should attend to both problems, but as far as preissuance submissions go, the issue discussed above seems more problematic.

There are various possible solutions to this problem. Perhaps the most straightforward would be to require a request for early publication under § 122(b)(1)(A), in cases where an application is to be examined much earlier than the anticipated publication date. In general, though, if the USPTO is to adopt first action pendency targets substantially lower than the time for publication, it must implement procedures to ensure that preissuance submissions are effective.

#### **V. The USPTO Should Request Comments on Patent Quality Metrics**

As explained at the outset, quality should be the primary focus of the Office. While the USPTO already implements certain measures of patent quality, metrics for quality are complex, and no one party—whether government, industry, or public interest—possesses a monopoly on all the best ideas for measuring performance. Accordingly, a request for comments on quality metrics would be timely and appropriate.

#### **VI. Conclusion**

Public Knowledge thanks the USPTO for the opportunity to submit these comments. Please direct any remaining questions to the undersigned submitter.

Respectfully submitted,

Charles Duan  
*Director, Patent Reform Project*  
Ethan Jeans  
*Legal Intern*  
Public Knowledge  
1818 N Street NW, Suite 410  
Washington, DC 20036  
(202) 861-0020  
cdan@publicknowledge.org