



30 January 2017

The Honorable Drew Hirschfeld  
Mail Stop Comments – Patents Commissioner for Patents  
P.O. Box 1450  
Alexandria, Virginia 22313-1450

Attention: Raul Tamayo, Senior Legal Advisor, Office of Patent Legal Administration,  
Office of the Deputy Commissioner for Patent Examination Policy

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

## Re: Request for Comments on Examination Time Goals

Dear Commissioner Hirschfeld:

Intellectual Property Owners Association (IPO) submits the following comments and suggestions in response to the USPTO's request entitled "Request for Comments on Examination Time Goals" published in 81 Fed. Reg. 73383 (Oct. 25, 2016) ("Request"). IPO appreciates the USPTO's effort to allow stakeholders to provide feedback on how the USPTO should set examination time goals going forward.

IPO is an international trade association representing companies and individuals in all industries and fields of technology who own, or are interested in, intellectual property rights. IPO's membership includes about 200 companies and nearly 13,000 individuals who are involved in the association either through their companies or as inventor, author, law firm, or attorney members. IPO membership spans more than 50 countries. IPO advocates for effective and affordable IP ownership rights and provides a wide array of services to members.

### Preliminary Remarks

The time goals for patent examiners have been adjusted twice since they were initially set over 40 years ago. In those 40 years, the landscape of patent examination has changed dramatically. Some examples include:

- Significant technological changes, such as
  - The change from analog to digital technology and the resulting explosion of digital devices and computer implemented processes
  - The explosion of biotechnology patent applications following the U.S. Supreme Court's decision in *Diamond v. Chakrabarty*, 447 U.S. 303 (1980)
- Significant legal changes, such as
  - The change to 20-year patent term
  - The creation of the U.S. Court of Appeals for the Federal Circuit

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- Evolving jurisprudence on claim construction, what constitutes patent infringement, nonobviousness, written description, and patent eligible subject matter
- The America Invents Act
- Significant administrative changes, such
  - The USPTO becoming a user-fee funded agency
  - The image file wrapper system replacing paper files
  - Computer-based searching
  - Cooperative Patent Classification System
  - The USPTO's Enhanced Patent Quality Initiative.

Given the increase in patent examiners' responsibilities and the few adjustments that have been made to the metrics by which productivity is reviewed, the present study is appropriate.

Before the questions posed in the Request can be properly addressed, a review of how patent examiners use the time allotted for examination is necessary. Currently, examiners do not track their daily time by application number and examination activity. Gathering and analyzing such granular data would allow the USPTO and patent users to see how efficiently patent examiners use the allotted time. Coordinating this data collection with data already being collected on with examination quality would enable the USPTO to identify on an art unit and examiner basis how efficiently time is being used by patent examiners based on whether they are evaluated to be high/low "producers" or to produce high/low "quality" work product.

IPO suggests that the USPTO create a pilot group of patent examiners who track daily time by application number and examination activity (selected from a reasonable number of core activities). This will allow the USPTO to understand how patent examiners are actually using their existing time allotment. We suggest that SPEs also track their time because they are instrumental in training and reviewing the work products of junior patent examiners and some production and quality issues might be improved with additional oversight. It would be especially helpful if SPEs tracked their time by application number, both for time spent reviewing Office actions and time involved in panel reviews of specific applications (e.g., participation in P3 panels, pre-appeal brief conference panels, and appeal conference panels), as well as time spent preparing for applicant interviews. Each of these activities present an opportunity to identify allowable subject matter early on in a case, avoid improper rejections, and otherwise improve Office efficiency.

The USPTO should also review the existing compact prosecution model to identify and eliminate time-wasting steps. IPO has advocated eliminating the policy that every second Office action be made final and the attendant after final practice. Final rejection practice can waste both the USPTO's and applicants' time and resources by placing an artificial stop in the examination of a patent application. With the advent of RCEs, the policy no longer serves its original purpose and the time can be better spent.

The Request seems to presuppose that the current examination system including patent examiner productivity metrics will stay essentially the same with some minor adjustments. We believe this study should start with a clean slate and a willingness to re-engineer the

patent examination process. To achieve quality patents, patent examiners must be empowered to exercise sound professional judgment in a collaborative work environment, free of restraints that impede an open, continuous exchange of views with applicants.

The productivity management structure should allow SPEs to make changes based upon a particular patent examiner's circumstances. The count system uses numbers to set and monitor minimum thresholds of *throughput* without regard to how well the work is done. Although the count system can provide powerful incentives for exceeding a minimum productivity threshold (such as promotions and bonuses), it also can have unintentional negative effects on performance as examiners aim to meet but not exceed the target, do not try not to meet the target for fear it will be raised, or focus on the target at the expense of considerations such as examination quality.

The USPTO should use this opportunity to develop new productivity metrics for patent examiners that deemphasize time quotas, at least as currently implemented, and emphasize minimizing total pendency of patent applications. Changing the emphasis in this manner will change patent examiners' focus from how quickly a case can be processed to get a count to expeditiously guiding an application to its disposition. Although patent examiners must be productive, the USPTO must emphasize thoroughness and quality over speed.

With these thoughts in mind, we offer the following responses to some of the questions set forth in the Request.

**(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?**

Different types of complexity are likely associated with different levels of quality. For *technically* complex applications (e.g., applications with claims that may be difficult for a lay person to understand), IPO members report a favorable perception of examination quality. Training examiners in specific niches of technologies likely ensures that the examiners are well-versed even in complex relevant technology. For *legally* complex applications, however, IPO members report a lower perception of examination quality than for applications presenting less complex legal issues. It might not be possible to identify the nature of the relationship (correlation versus causation), but there seems to be a connection between poor examination quality and applications presenting complex legal issues. There are several possible explanations, each suggesting a different solution.

Time constraints are one plausible explanation. When complex legal issues are present, examiners might exceed their allotted time to address those legal questions, which leads to cutting corners on the search, the prior art evaluation, or the explanations made in the Office action. Other examiners might cope with complex legal issues by using time-saving measures such as cursory analysis, boilerplate language, or jumps to conclusions. Our members perceive both practices to be prevalent, although it is not clear whether either is more prevalent in a particular technology. If either practice produces poor examination quality, increased examination time might be appropriate.

Another plausible explanation is that legal analysis is not the core competency of many examiners, most of whom have not received formal legal training. If the source of poor examination quality for applications involving complex legal issues is a lack of skill or training, increased examination time is not a likely solution and more creative solutions might be effective, such as more supervisor involvement, more guidance from APJs, or involving experts who can address such complex legal issues and be available for applicants to interview.

In some cases technical or legal complexity does not independently affect examination quality. For instance, IPO members report that improperly classified applications often receive very poor quality examination, presumably due to the examiners' unfamiliarity with the technology. Here, even if the application is technically complex, the poor quality is more likely attributable to the classification error and is not an independent result of the technical complexity. The solution is more rigorous classification practices. Similarly, for cases with legal issue complexity, classification can play an outsized role in the level of examination quality. For instance, applications classified in one of the ecommerce business-methods art units generally face stricter analysis under § 101 than applications classified elsewhere.<sup>1</sup> This suggests that a subset of examiners is analyzing at least this complex legal issue improperly. Again, although legal complexity might correlate with lower quality, the solution is not more examination time, but better consistency in examination of complex legal issues across all art units and technology centers.

Although IPO members report a perception that complexity can be correlated with reduced quality, data-driven analysis is necessary to establish causation. The result of an examination time goal study should not be driven by anecdotes purporting to establish a correlation between complexity and quality, particularly because poor quality can result from numerous aspects of the examination process that additional examination time will not address. As a result, it is necessary to base adjustments to examination time goals on an evaluation of the work product of examiners who spend different amounts of time on different examination functions, as we've suggested in our introductory remarks above.

**(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?**

It would be a mistake to use input regarding prosecution time requirements as a tool in evaluating examination time goals. Although complementary activities, they are fundamentally different and not interchangeable. For instance, most of the time spent preparing an Office action is typically spent searching for prior art. There is no corresponding task for responding to an Office action. Similarly, whereas responding to an Office action involves scrutinizing the rejection(s) for potential errors, it also involves considering many questions irrelevant to the examining function, such as the impact of statements and

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<sup>1</sup> See <http://www.bilskiblog.com/blog/2016/06/two-years-after-alice-a-survey-of-the-impact-of-a-minor-case-part-2.html>, and, in particular, Table 7, which shows a difference in both § 101 rejection rate and allowance rate by Examiners in the ecommerce areas versus examiners in other areas, when controlling for subject matter.

amendments during prosecution on future licensing or litigation efforts, or client-oriented considerations such as whether to place greater emphasis on speed to allowance versus breadth of claim scope. Even preparing for interviews requires different sets of activities. Practitioners must prepare to propose traversals or arguments, whereas examiners must re-familiarize themselves with the application and prior art and prepare to respond to the practitioner's proposals.

**(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?**

As noted above, focusing on prosecution time requirements is not likely to generate accurate assessments of examination time goals. Beyond the fact that examination and prosecution involve different sets of activities, application complexity affects each role differently, which further illustrates the risk of relying on input about prosecution-side time requirements. For instance, technical complexity likely plays a larger role in the evaluation of prosecution time requirements, because many patent practitioners are generalists with respect to technology. In contrast, examiners work within narrow fields of technology, which limits the impact of technical complexity on the examination function. However, legal complexity likely affects time requirements in both contexts. As noted in response to Question (1) above, legal complexities seem to diminish examination quality.

Additionally, with a static time allotment, less legally complex applications will produce a loss of examination productivity because examiners will work to achieve but not exceed their quotas. An increase in legal complexity will produce either a diminution of quality or an increase in voluntary overtime worked by examiners willing to do what it takes to reach their quotas and avoid negative performance reviews. This suggests that examination time goals should take into account changes in the law that affect examination. For instance, when a new statute, rule, or case law introduces legal complexity, examination time goals should be adjusted to account for the learning curve.

Gains in productivity attributable to technological advances might mitigate increases in complexity. For instance, many tools exist to find basic problems with claims such as antecedent basis, § 112 support, and consistency of item numbering and naming in figures. Applicants have begun using these tools. Examiners might also use them to automate basic examination functions such as noting claim objections and problems in specifications. These time-saving tools might offset more time-intensive activities with the added benefit of increasing patent quality.

**(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?**

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It is premature to change examination time goals until empirical evidence is available to support those changes. However, if an increase in examination time is thought to be necessary to increase examination quality, there is no need to allocate the increase to a particular activity.

**(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 goes hand-in-hand with time allocation. If the data demonstrate the need to increase time goals in a particular area to increase quality, the corresponding cost increase would be worthwhile. We would not expect pendency to be adversely affected because pendency is related to staffing and not to quality or cost.

We welcome further dialogue or opportunity to provide additional information or otherwise assist the Office in its efforts on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Lauroesch", written in a cursive style.

Mark Lauroesch  
Executive Director