



May 18, 2016

The Honorable Michelle K. Lee
Under Secretary of Commerce for Intellectual Property &
Director of the United States Patent and Trademark Office
Mail Stop CFO
P.O. Box 1450
Alexandria, Virginia 22313-1450

Attention: Michael T. Cygan, Senior Legal Advisor

Via email: Patent Practice@uspto.gov

Re: IPO's Comments on Improving Patent Quality Measurement

Dear Director Lee:

Intellectual Property Owners Association (IPO) submits the following comments and suggestions in response to the United States Patent and Trademark Office's "Patent Quality Metrics for Fiscal Year 2017 and Request for Comments on Improving Patent Quality Measurement," published in 81 Fed. Reg. 16142 (Mar. 25, 2016) (FRN).

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 more than 200 companies and more than 12,000 individuals who are involved in the association either through their companies or as inventor, author, law firm, or attorney members. IPO membership spans 43 countries. IPO advocates for effective and affordable IP ownership rights and provides a wide array of services to members, including supporting member interests relating to legislative and international issues; analyzing current intellectual property issues; information and educational services; and disseminating information to the general public on the importance of intellectual property rights.

IPO appreciates the USPTO's effort to allow stakeholders to provide feedback to improve metrics of patent examination quality. IPO supports the USPTO's focus on the clarity and correctness of the work product, including Office actions.

Thank you for considering these comments on the FRN. We welcome other opportunities to support the USPTO's patent quality initiatives.

Comments and Suggestions Regarding Section II: Improving Measurement of Patent Examination Quality

The following comments are directed to the proposed "Master Review Form" (MRF, available at <http://www.uspto.gov/patentquality>) described in Section II.A of the FRN.

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1. IPO appreciates the MRF's focus on substantive aspects of patent examination and suggests that it be modified to capture clarity and correctness of procedural matters as well, such as:
 - a. Whether petition decisions were timely, clear, and correctly decided.
 - b. Whether petition decisions and Office actions were overseen and signed by personnel with the appropriate level of signatory authority (*see* MPEP Chapter 1000).

Monitoring appropriate oversight and adherence to procedure will help ensure overall completeness and correctness of the rejections under review.

2. It is important to identify what type of Office action is under review, particularly in view of the Office's desire to measure transactions during patent prosecution as expressed in Section II.B of the FRN. IPO suggests that the MRF be modified to capture this information.
3. IPO supports the USPTO's ongoing efforts to encourage prompt, correct identification of allowable subject matter. However, the arrangement of the MRF does not appear to reflect this focus. Instead, the "Allowable Subject Matter" section appears near the end of the form, on page 24, under "Other Quality-Related Items" and contains only two questions pertaining to Reasons for Allowance.

Because patent applications are presumed allowable, and because early identification of allowable subject matter shortens prosecution, IPO recommends moving the "Allowable Subject Matter" section closer to the beginning of the MRF. To recognize the importance of indicating allowable subject matter, IPO suggests modifying the MRF to include a query regarding whether the examiner clearly and correctly identified allowable subject matter.

Also, in addition to asking if the examiner's reasons for allowance were present or if the reasons for allowance added substance as indicated in the current version of the MRF, IPO suggests modifying the MRF to include a query regarding whether the reasons for allowance were clear and correct.

4. At page 1 of the MRF, all of the current statutory and non-statutory bases for rejections appear to be listed, along with a category for "Other." IPO requests that the USPTO provide examples of "Other" bases or eliminate the category. Similarly, the series of questions at pages 3-9 prompts the reviewer to focus on the statutory and non-statutory bases for rejections. A query at page 10 then asks the reviewer to identify "Other Rejection Omitted." IPO requests that the USPTO define other rejections that can be properly made besides those listed or eliminate this section.
5. At page 24, under the heading "Restrictions/Election of Species," the fourth query asks whether the examiner replied to applicant's reasons or arguments for

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traversal. IPO suggests modifying the MRF to ask whether the examiner's reply was clear and correct.

6. Office actions sometimes contain irrelevant commentary or improper rejections, objections, requirements, etc., which are not authorized by the USPTO. IPO believes such verbiage reduces clarity by clouding the record and suggests modifying the MRF to capture such instances.
7. Proper understanding and application of the law, including case law, is essential for examination of patent applications. IPO suggests modifying the MRF to capture whether the examiner appropriately applied the law and appropriately responded to the applicant's arguments concerning the application of the law. For example:
 - a. The 103 section does not query whether the examiner properly considered evidence of secondary considerations in the context of the "full *Graham v. John Deere Co.* analysis" (see page 13).
 - b. The 112(a) section contains a query regarding defects in prima facie rejections based on enablement, but not based on written description (compare pages 14 and 15).
 - c. The 112(b) section does not query whether the examiner properly considered any express definitions of claim terms in the specification in the context of indefiniteness rejections (see page 16).
8. IPO suggests that the MRF be modified to prompt reviewers to determine whether the examiner clearly and correctly determined the effective priority date of the claimed subject matter. The "Search" section at page 2 might be an appropriate place to include such a query, given the importance of the priority date for determining whether the search was conducted properly.
9. IPO suggests that the MRF be modified to prompt reviewers to determine whether Office personnel correctly identified if pre-AIA or post-AIA provisions apply. Each Office action includes a pre-AIA or post-AIA statement in the beginning of the detailed action, and the correctness of this statement should be checked to ensure the patent application is examined under the proper legal standard.

The following comments are directed to the measurement of transactions during prosecution as described in Section II.B of the FRN.

1. The FRN notes that USPTO intends to monitor various transactions through Quality Index Report (QIR), including indicators of prosecution efficiency such as reopening of prosecution, repeated non-final Office actions, consecutive final Office actions, etc. Although the reason for monitoring is understandable, a focus solely on reducing such indicators could lead to unintended consequences. In many cases, preparing a second non-final Office action or reopening of prosecution is warranted and will result in a higher quality work product. If management were encouraged or incentivized to focus

on reducing the incidence of corrective measures, the patent examining corps could respond by failing to correct errors when warranted. IPO urges the USPTO to be cautious when implementing policies that could create such incentives and result in a reduction of work product quality.

Comments and Suggestions Regarding Section III: Improving Metrics of Patent Examination Quality

1. The USPTO requests comments regarding whether it is moving in the right direction by focusing on a work product metric (representing correctness) and a clarity metric (exploring sufficiency of examiner reasoning). IPO believes this is the right direction, but suggests that the scope be broadened to include correctness and clarity of other USPTO actions (not just those of the examiner), including procedural matters.

As discussed above, IPO encourages the Office to also review whether petition decisions were timely, clear, and correctly decided and whether petition decisions and Office actions were overseen and signed by personnel with the appropriate level of signatory authority. This would encourage signatory authorities and deciding officials to carefully review Office actions and petition decisions for completeness and correctness and to provide prompt feedback to examiners, so that corrections can be made before issuance while an application and its issues are still fresh. Metrics that associate errors with signatory authorities and deciding officials can help the USPTO focus its valuable training resources. Such policies would also complement the USPTO's ongoing commitment to accountability and transparency.

Additional Comments and Suggestions

1. IPO encourages the USPTO to consider implementing a policy that when an internal review of an Office action identifies a significant error, the Office action is withdrawn and a corrective replacement Office action is issued.

Thank you for considering these comments. We welcome other opportunities to assist your efforts in improving patent quality

Sincerely,



Mark Lauroesch
Executive Director