

GAO Proposals To Boost Patent Quality Met With Skepticism

By Ryan Davis

Law360, New York (July 21, 2016, 9:21 PM ET) -- The U.S. Government Accountability Office said in reports Wednesday that poor-quality patents issued by the U.S. Patent and Trademark Office are fueling patent litigation, but attorneys said they questioned that premise and argued the GAO's recommendations would likely do little to improve patent quality.

For its reports, the GAO surveyed thousands of USPTO patent examiners and found that the majority of them feel they don't have enough time to complete thorough examinations and often find it difficult to identify relevant prior art.

Those factors put the office "at risk of issuing lower-quality patents" with terms that are broad or unclear, the GAO said, which in turn may result in more patent litigation because it is easier to unintentionally infringe such patents. The report noted that the number of patent lawsuits filed in the U.S. rose from 2,000 to 5,000 from 2007 to 2015.

Attorneys who have reviewed the reports said that it is true that patent examiners would benefit from having more time and resources to review patents. However, they said they questioned the idea that the USPTO is issuing low-quality patents and that the office is to blame for the increase in litigation by nonpracticing entities, the concern that appears to have driven the report.

"My problem is a little bit with the assumption that NPEs are asserting bad patents and that's the fault of the office," said Steve Zeller of Dykema. "I take issue with that. There are a lot of other factors that go into it."

What people do with patents once they are issued and how they choose to enforce them in litigation can not really be traced back to the office, said Chris Bowley of Fish & Richardson PC.

"Patent owners bringing enforcement actions with frivolous or aggressive reads of claims is not really going to be addressed by what we see here," he said.

The basic idea that the USPTO is issuing patents are too broad is highly subjective, said Robert Sachs of Fenwick & West LLP.

"What makes something overly broad?" he said. "Beauty is in the eye of the beholder."

The GAO report made several recommendations for ways to improve patent quality at the USPTO,

including re-evaluating the amount of time examiners are allotted to review applications and providing new or improved tools for searching prior art. Those proposals were welcomed by attorneys, who said they would have benefits for everyone in the patent application process.

The time limits on examinations and limitations of prior art searches "are issues that examiners have consistently said they struggle with," said Jeremiah Frueauf of Sterne Kessler Goldstein & Fox PLLC. "I think the GAO rightly says that it's time for the PTO to look at that and see if examiners are being given enough time and are using the right search tools."

However, many of the GAO's other recommendations fell flat with attorneys, who said that they would create more work for applicants without actually improving patent quality.

"Some of these proposals I don't think are really going to fix any problem," Bowley said, calling several of them "simply totally misguided."

For instance, the GAO said that the USPTO should consider requiring applicants to submit a glossary defining key terms used in the application so that they are clear to examiners, which it said would in turn result in patents with clearer boundaries. The report noted that 45 percent of examiners said they always or often encounter terms in applications that are not well-defined.

The problem with patent claims is not that no one knows what the claims mean, but that the technology being described in a patent is so complex, Sachs said. If patent applicants had to include glossaries, they would have to be just as careful at writing the definitions as they are now in writing the claims, he said.

"Glossaries are not going to solve the problem. It just kicks the can down the road," he said, noting that the USPTO said in its response to the report that its research has shown that glossaries "did not make a meaningful difference in quality."

A glossary requirement "is perhaps well-intentioned, but I don't think it will do anything," Bowley said. "It's another burden on applicant. They'll respond by providing a glossary for the absolute minimum number of terms and the absolute broadest definition of the terms."

Moreover, he said, there's really no way to know which claims are vague or ambiguous until years down the line in infringement litigation, when another attorney with no connection to the application process decides how aggressively to read the claim scope.

The GAO also suggested requiring applicants to provide a claim chart to improve patent quality. Claim charts, which are commonly used in litigation, present the claim in one column and the limitations and boundaries of the claim in another, usually by comparing it to an accused product or prior art references.

Patent applicants aren't comparing their claims to anything else, so the proposal is confusing, Sachs said. It would make more sense for examiners to use claim charts to evaluate applications, he said, but that's not what the GAO proposed.

"It's not clear how applicants would use claim charts," he said. "You use claim charts when you're mapping your claims to something else, but we don't do that. These proposals sound good on the surface, but if you think about actual behavior, these are not solutions."

The GAO's report appears to have begun with a premise in mind that is reflected in the final result, Sachs said.

"They had a hypothesis that a lot of patent litigation is driven by low patent quality and low patent quality has to do with overly broad claims," he said. "So they said, 'Let's find that,' and they found what they said they were looking for."

The report's focus on patent litigation over last several years ignores that many of the patents that are at the center of litigation that critics of nonpracticing entities have called frivolous were issued over a decade ago at the height of the online boom in the late 1990s and early 2000s, Zeller said.

At that time, the USPTO had limited prior art available for web-based inventions, which could have resulted in questionable patents, he said, "so you have to look at what was happening at the office 10 or 15 years ago, not what's happening now."

The GAO report said that the USPTO provides incentives to examiners to be timely and productive, but not for producing high-quality work, and urges the office to consider finding ways to do that. Attorneys said any consistent definition of quality patents and work by examiners is likely to be elusive.

There are many more factors involved in examiners' jobs beyond whether patents they issue are later upheld and found valid, Zeller said. For instance, attorneys are more concerned about how clearly examiners communicate with applicants and convey the reasoning for their decisions.

Trying to consider quality work by examiners by "putting it in sound bite definition, as the GAO seems to want, seems kind of ridiculous," Zeller said.

The report doesn't focus on whether examiners have the proper technical background and training to understand the claims they are evaluating, and that would be an effective way to improve patent quality, Bowley said. Making sure that examiners have sufficient time for examinations and are properly incentivized is important and worth having the office evaluate, he said, but it wouldn't make a difference if examiners don't have technical chops.

"That, to me, is the biggest impediment to me getting quality patents for my clients," he said.

--Editing by Katherine Rautenberg and Mark Lebetkin.
