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Alexandria Yasmin Bromell

*American University Washington College of Law*

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# Avenues to Reduce Total Patent Pendency in Order to Boost the United States Economy

## **Keywords**

applications, United States Patent and Trademark OfficeUSPTO, Patent Examination, fan-subtitled

# Avenues to Reduce Total Patent Pendency in Order to Boost the United States Economy

by Alexandria Yasmin Bromell<sup>1</sup>

Innovation in the United States is directly correlated to the number of patents granted by the United States Patent and Trademark Office (“USPTO”), and the country needs innovation in order to boost its suffering economy.<sup>2</sup> Approximately 18 million workers in the U.S. are employed in business sectors that rely heavily on intellectual property protection, accounting for \$5 trillion of the U.S. gross domestic product.<sup>3</sup> In October 2010, the unexamined patent backlog was over 700,000,<sup>4</sup> and approximately 450,000 new utility applications are filed annually.<sup>5</sup> As the patent application backlog grows at the USPTO, jobs are put on hold, dreams are stalled, and innovation is delayed.<sup>6</sup> In the global economy, intellectual property determines both America’s competitiveness and prosperity.<sup>7</sup> To boost the economy by injecting a new wave of innovation, changes must be made to the patent system in order to decrease total patent pendency, which is directly related to the amount of

time it takes an applicant to obtain a quality patent.<sup>8</sup> Before analyzing programs which may help to reduce patent pendency<sup>9</sup> and ultimately the amount of time required for a qualified applicant to have a patent granted, it is important to first understand the patent application process.

## I. BACKGROUND ON THE PATENT EXAMINATION PROCESS

Current practice at the USPTO is to examine non-provisional utility patent applications in order of their U.S. filing date.<sup>10</sup> A patent examiner’s docket is organized based on regular new applications, regular amended applications, special new applications, and special amended applications. Special applications are granted a higher examination priority than regular applications. Various initiatives have been established at the USPTO to grant specific applications special examination status in order to speed up the patent prosecution process.

On the surface, the current patent backlog of unexamined patents is often attributed in part to the decrease in the number of patents approved, increasing requests for continued examination (RCE),<sup>11</sup> the attrition rate of patent examiners, and the projected decrease in fee collections, which will not permit the

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1. Alexandria Yasmin Bromell, a 2012 J.D. candidate at American University, Washington College of Law, holds a B.S. in Computer Science from the University of Florida. She is a Patent Examiner for the United States Patent and Trademark Office (USPTO).

**Disclaimer: the views of the author do not reflect the views of the United States Government or the USPTO.**

2. David Goldman, *Recession’s Latest Victim: U.S. Innovation* (Dec. 11, 2009), [http://money.cnn.com/2009/12/11/news/economy/patent\\_filings/](http://money.cnn.com/2009/12/11/news/economy/patent_filings/). As of December 2009, there were approximately 740,000 patents waiting to be examined, each with an average wait time of forty months for approval.

3. U.S. Patent & Trademark Office, *Fiscal Year 2011 President’s Budget 1* (Feb. 2010) [hereinafter 2011 President’s Budget], *available at* <http://www.uspto.gov/about/stratplan/budget/fy11pbr.pdf>.

4. Gary Locke, U.S. Sec’y of Commerce, *Employee Event with Secretary of Commerce Gary Locke* (Oct. 6, 2010), [http://www.uspto.gov/news/speeches/2010/Secretary\\_Locke\\_Visit.jsp](http://www.uspto.gov/news/speeches/2010/Secretary_Locke_Visit.jsp).

5. U.S. Patent & Trademark Office, *U.S. Patent Statistics Report 1*, [http://www.uspto.gov/web/offices/ac/ido/oeip/taf/reports.htm#by\\_type](http://www.uspto.gov/web/offices/ac/ido/oeip/taf/reports.htm#by_type) (last visited Oct. 16, 2010).

6. H.R. REP. NO. 111-366, at 621 (2009) (Conf. Rep.). The Government Accountability Office is concerned with the lack of progress toward reducing patent pendency and the patent backlog at the USPTO. The patent backlog may be attributed to the decrease in the number of patents approved, increasing requests for continued examination, the attrition rate of patent examiners, and the projected decrease in fee collections, which will not permit the agency to hire the number of needed examiners.

7. 2011 President’s Budget, *supra* note 3.

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8. *Homegrown Innovation: Event with Undersecretary of Commerce David Kappos on Job Creation and Innovation* (June 4, 2010), [http://www.americanprogress.org/issues/2010/06/homegrown\\_innovation.html](http://www.americanprogress.org/issues/2010/06/homegrown_innovation.html). David Kappos, Director of the United States Patent and Trademark Office, affirms that the USPTO can play a vital role in pulling the United States out of a recession by encouraging inventors, researchers, and businesses to create innovations that give rise to new businesses and jobs.

9. U.S. Patent & Trademark Office, *Patent Pendency Statistics - FY09*, <http://www.uspto.gov/patents/stats/patentpendency.jsp> [hereinafter *Pendency Statistics*] (last visited Oct. 15, 2010). Patent pendency may measure the average number of months after filing before a first action is issued or the total time from filing to either allowance or abandonment.

10. A provisional patent application is temporary as it expires one year from filing, may not be extended and is not examined. Conversely, a non-provisional patent application is examined, and the life of the application may be extended through prosecution. A provisional patent application acts as a cost efficient place holder, giving an inventor time to obtain the funds necessary to file a non-provisional application.

11. U.S. Patent & Trademark Office, *Request for Continued Examination (RCE) Questions and Answers* (May 5, 2003), <http://www.uspto.gov/patents/law/aipa/rcefaq.jsp>.

agency to hire the number of needed examiners.<sup>12</sup>

When the USPTO receives a new patent application, the application is screened for compliance and then classified with the appropriate art unit to direct it to the proper examination area in the Office.<sup>13</sup> Each art unit is responsible for examining a range of classes and subclasses of applications.<sup>14</sup> After the appropriate art unit receives an application, a supervisory patent examiner will docket the case within the art unit to an examiner to begin prosecution. Most patent applications are published, and therefore available as prior art, eighteen months after filing.<sup>15</sup> Although the agency goal is to have a final decision on a patent application within eighteen months of filing, it is currently approximately twenty to thirty-three months before an application begins the examination process and then nine to nineteen additional months before a final decision is rendered.<sup>16</sup> Patent application pendency is increasing, as first action pendency increased from twenty-three months in 2005 to over twenty-five months in 2008.<sup>17</sup> At the end of FY 2009, first action patent pendency was almost twenty-six months, and total pendency was almost thirty-five months.<sup>18</sup> Unfortunately, the pendency issue has deterred inventors from filing applications, as new patent application filings fell in 2009 for the first time in thirteen years.<sup>19</sup> Therefore, when comparing program options to reduce patent pendency, one must consider the impact that the program has on decreasing the amount of time prior to the examiner receiving a case that is ready to be examined and the amount of time that it takes for an examiner to complete the examination process.

Delegates from the USPTO have proposed several

12. H.R. REP. NO. 111-366, at 621 (2009) (Conf. Rep.).

13. 17 Fed. Cir. B.J. 133 (2008).

14. U.S. Patent & Trademark Office, Classes Arranged Numerically with Art Unit and Search Room Locations, <http://www.uspto.gov/patents/resources/classification/numeric/can.jsp> (last visited October 15, 2010).

15. See 35 U.S.C. § 122 (b) (where applications are either published after the expiration of a period of eighteen months from the earliest filing date unless a non-publication request is submitted by the inventor or published earlier than the eighteen month period at the request of the applicant).

16. Pendency Statistics, *supra* note 9.

17. Gene Quinn, USPTO Backlog: Patent Pendency Out of Control (Apr. 22, 2009), <http://www.ipwatchdog.com/2009/04/22/uspto-backlog-patent-pendency-out-of-control/id=2848/>

18. 2011 President's Budget, *supra* note 3.

19. David Goldman, Recession's Latest Victim: U.S. Innovation (Dec. 11, 2009), [http://money.cnn.com/2009/12/11/news/economy/patent\\_filings/](http://money.cnn.com/2009/12/11/news/economy/patent_filings/).

reform options to accelerate examination of patent applications and reduce pendency, which include the “Backlog Reduction Stimulus Plan,”<sup>20</sup> “Three Track” initiative,<sup>21</sup> “Green Tech” initiative,<sup>22</sup> and the “Ombudsman Pilot Program”<sup>23</sup> in addition to the currently implemented “Accelerated Examination”<sup>24</sup> program and “First Action Interview Pilot.”<sup>25</sup> Although the USPTO has already implemented the “Patent Prosecution Highway”<sup>26</sup> for the fast track examination of patent applications, this paper will discuss policies from different proposed initiatives and other possible options to implement pendency goals of the FY 2011 President’s Budget. The Budget is a five-year plan which specifically aims to reduce the time between filing and a first action on the merits to ten months by FY 2013, and reduce the average total pendency to twenty months for patent applications by FY 2014.<sup>27</sup>

## II. REDUCING TOTAL PATENT PENDENCY USING THE ACCELERATED EXAMINATION PROGRAM (PETITION TO MAKE SPECIAL)

As of August 25, 2006, a patent application’s examination may be accelerated to advance an application out of turn if the applicant files a petition to make the application special and the petition is subsequently granted by the Office.<sup>28</sup> Essentially, the

20. Sarah Fendrick, USPTO Implements Patent Application Backlog Reduction Stimulus Plan (Dec. 7, 2009), <http://www.patentdocs.org/2009/12/patent-application-backlog-reduction-stimulus-plan.html>.

21. See 75 Fed. Reg. 31763 (June 4, 2010).

22. Josie Garthwaite, *Express Lane for Green Patents Can Help Startups* (Dec. 9, 2009), [http://www.businessweek.com/technology/content/dec2009/tc2009129\\_816926.htm](http://www.businessweek.com/technology/content/dec2009/tc2009129_816926.htm).

23. Press Release, U.S. Patent & Trademark Office, *USPTO Launches Ombudsman Pilot Program* (Apr. 6, 2010), available at [http://www.uspto.gov/news/pr/2010/10\\_11.jsp](http://www.uspto.gov/news/pr/2010/10_11.jsp).

24. U.S. Patent & Trademark Office, Accelerated Examination, <http://www.uspto.gov/patents/process/file/accelerated/index.jsp> (last visited Oct. 15, 2010).

25. U.S. Patent & Trademark Office, First Action Interview Pilot Program, [http://www.uspto.gov/patents/init\\_events/faipp\\_landing.jsp](http://www.uspto.gov/patents/init_events/faipp_landing.jsp) (last visited Oct. 15, 2010).

26. U.S. Patent & Trademark Office, Patent Prosecution Highway (PPH), [http://www.uspto.gov/patents/init\\_events/pph/index.jsp](http://www.uspto.gov/patents/init_events/pph/index.jsp) (last visited Oct. 15, 2010).

27. Memorandum from Karen Strohecker, U.S. Patent & Trademark Office, Fiscal Year 2011 President’s Budget (Jan. 29, 2010), <http://www.uspto.gov/about/stratplan/budget/fy11pbr.pdf>.

28. See 71 Fed. Reg. 36323 (June 26, 2006). Specifically, the requirements for petitions to make special under the accelerated examination program are: A. A petition to make special under the accelerated examination program must accompany an application, along with the petition fee of \$130.00 (see 37 CFR 1.17(h)) or a statement that the basis of the petition is the applicant’s age or health, or that the invention will enhance the quality of the environment, or contribute to the development or conservation of

petition to make an application special places it on an examiner's special new docket, which gives it priority over regular new applications.<sup>29</sup> The program is only available to applications filed after the effective date of August 25, 2006.<sup>30</sup> For applications filed prior to the effective date, a petition to make special will only be granted based on the applicant's health or age or by the Patent Prosecution Highway (PPH) pilot program.<sup>31</sup> The goal of this program is to complete examination of a patent application within twelve months of its filing date.<sup>32</sup>

If the Office grants a petition to make an application special, an examiner should take up the application for examination within two weeks of it being docketed to him or her, saving the applicant the initial twenty to thirty-three months before an application usually begins the examination process.<sup>33</sup> If the examiner determines that a possible rejection must be addressed, the examiner will telephone the applicant for an interview to discuss how the possible rejection or issue may be resolved.<sup>34</sup> If the interview does not result in the application being placed in condition for allowance, an office action may be mailed to the applicant outlining the rejection.<sup>35</sup> At this point,

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energy or resources or counter terrorism (see 37 CFR 1.102(c)). B. The application must be a design application or a utility application, which is a non-reissue. C. The petition, application, and required fees must be filed with the USPTO electronically. D. The application must be complete and ready for examination at the time that it is filed. E. The application must not contain more than three independent claims or twenty total claims. F. The claims must be directed to only one invention. G. The applicant must agree to have an interview before any action on the merits to discuss any relevant art with the examiner and any potential objections or rejections. H. The applicant must assert at the time of filing that a preexamination search was conducted. The applicant must identify the field of search within the United States patent classification system to include a class and subclass, date of search, and database search history. I. The applicant must provide an accelerated examination support document at the time of the filing, which includes an information disclosure statement (IDS). The information disclosure statement must cite references closely related to the claimed subject matter, and for each reference cited, the document must identify the claim limitations disclosed by the reference. Additionally, the support document must include an explanation of how each claim is patentable over the reference cited.

29. U.S. Patent & Trademark Office, Accelerated Examination, <http://www.uspto.gov/patents/process/file/accelerated/index.jsp> (last visited Oct. 15, 2010).

30. See 71 Fed. Reg. 36323.

31. U.S. Patent & Trademark Office, U.S. Dep't of Commerce, Manual of Patent Examining Procedure § 708.02(a) (8th ed., Rev. 7, Sept. 2008) [hereinafter MPEP].

32. See 71 Fed. Reg. 36323.

33. *Id.*

34. *Id.*

35. *Id.*

the application will proceed through the prosecution system normally, with the exceptions that the examiner is required to conduct a conference before finally rejecting the application, and the application will retain special status in the event that an RCE is filed after a final rejection.<sup>36</sup>

The accelerated examination program is an excellent option for expedited examination of an application which enhances the quality of the environment, contributes to the development or conservation of energy or resources, counters terrorism, or whose applicant is facing age or health issues. By applicants limiting their total claims and taking a proactive approach with the examiner, applicants may bypass the need for the examiner to write up an office action detailing rejections based on prior art, which could save an applicant approximately nine to nineteen additional months before a final decision is rendered using the normal process. By conducting a pre-examination search and submitting the search results to the examiner through an Information Disclosure Statement (IDS), the applicant helps to speed up the examination process of searching for the most relevant prior art. An IDS identifies relevant prior art by title, author, and publication date.<sup>37</sup> By working proactively with the examiner, RCEs may not be necessary, and worthy applications will be granted patents in an efficient manner. By allowing the application to retain special status after filing an RCE, an applicant using the accelerated examination program will again realize the benefit of jumping to the front of the queue, saving months out of the initial period.

While the accelerated examination program will help applications within certain disciplines speed through the patent prosecution system, it does not directly address the patent backlog. Unfortunately, the amount of applications that will likely be made special through this program may be less than one percent of total patent applications due to the cost of pre-examination searches.<sup>38</sup> By implementing the accelerated examination program, the backlog and pendency are indirectly decreased because the special new applications are prosecuted in a more efficient manner, thus, allowing the examiner to perform examination more quickly.

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36. *Id.*

37. MPEP, *supra* note 31, § 609.

38. Jim Johnson, *Now It's Obvious: US Supreme Court Patent Decision Makes Doing Your Homework Even More Important*, [http://www.nerac.com/nerac\\_insights.php?category=articles&id=202](http://www.nerac.com/nerac_insights.php?category=articles&id=202) (last visited Oct. 15, 2010).

### III. REDUCING TOTAL PATENT PENDENCY USING THE FIRST ACTION INTERVIEW PILOT

The First Action Interview Pilot allows applicants to quickly advance through patent application prosecution by having an interview with an examiner before an office action is written with rejections.<sup>39</sup> After an examiner has conducted a search for prior art and prior to the examiner mailing an office action outlining rejections or objections, the examiner must conduct an interview with the applicant to discuss possible issues outlined in a pre-interview communication prepared by the examiner. Through this program, applicants are able to rapidly advance prosecution by dealing with issues up front in the prosecution process by allowing applicants to amend claims and benefit from enhanced interaction with the examiner, which could save an applicant approximately nine to nineteen additional months on average before a final decision is rendered using the normal process.<sup>40</sup>

The first action interview pilot is a good option to expedite examination of an application. By taking a proactive approach, the applicant may bypass the need for an office action detailing rejections based on prior art. Similar to the scenario with the accelerated examination program, the need for RCEs may be diminished through proactive interaction between the applicant and the examiner.

While the first action interview pilot will help applications progress through the patent prosecution system more quickly than normal, it does not directly address the patent backlog or the amount of time that it takes the application to get to the top of the examiner's regular new docket. By implementing the first action interview pilot, the backlog is indirectly decreased because the affected applications are prosecuted in a more efficient manner, thereby allowing the examiner to perform examination more quickly. Similar to the accelerated program, patent pendency is mildly reduced by the examiner's ability to perform work more quickly.

### IV. REDUCING TOTAL PATENT PENDENCY USING THE BACKLOG REDUCTION STIMULUS PLAN (PROJECT EXCHANGE)

The Office temporarily implemented a procedure between November 27, 2009 and February 28, 2010,

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39. U.S. Patent & Trademark Office, First Action Interview Pilot Program, [http://www.uspto.gov/patents/init\\_events/faipp\\_landing.jsp](http://www.uspto.gov/patents/init_events/faipp_landing.jsp) (last visited Oct. 15, 2010).

40. *Id.*

which has now been extended,<sup>41</sup> that gives applications belonging to small entities special examination status if the applicant expressly abandons another co-pending unexamined non-provisional application.<sup>42</sup> The USPTO opened the application exchange program to all applicants to reduce the backlog, where each entity is limited to fifteen applications through December 31, 2010.<sup>43</sup>

The backlog reduction stimulus plan is a great option to expedite examination of an application by small entities, which have more than one application. Similar to the accelerated examination program, the backlog reduction stimulus plan helps jump an application to the head of the examination queue by making it special, thereby, possibly saving the applicant the initial twenty to thirty-three months before an application usually begins the examination process.

While the backlog reduction stimulus plan will help reduce the backlog by one application for each application that enters the plan, the cost is that one less innovation will be realized in the marketplace.

### V. REDUCING TOTAL PATENT PENDENCY USING THE GREEN TECH PROGRAM

Under the Green Tech initiative, around 3,000

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41. *See* 75 Fed. Reg. 5041 (Feb. 1, 2010).

42. *See* 74 Fed. Reg. 62285 (Jan. 28, 2009). Specifically, the requirements to qualify for the backlog reduction stimulus plan: A. The application requesting special status must be a non-provisional application with a filing date earlier than October 1, 2009, and the applicant must be established as a small entity under 37 C.R.F. § 1.27; B. The applicant must have another co-pending non-provisional application with a filing date earlier than October 1, 2009, where the requirements of 37 C.F.R. § 1.53 have been met (*i.e.*, the application contains an executed oath or declaration and the filing fee, search fee, examination fee, any applicable application size fee, and any applicable excess claims fee have been paid); C. The same party must own the application for which special status is sought and the other co-pending non-provisional as of October 1, 2009, or they must name at least one inventor in common; D. The applicant must file an express abandonment under 37 C.F.R. § 1.138(a) for the co-pending non-provisional application before it has been taken up for examination, along with a statement that the applicant has not and will not file an application that claims the benefit of the expressly abandoned application, and that applicant will request a refund of any fees paid in the expressly abandoned application; E. The applicant files a petition under 37 C.F.R. § 1.102 in the application for which special status is sought, identifying the basis under which special status is being sought; F. The fee to consider a petition to make special for applications pertaining to Project Exchange/Patent Application Backlog Reduction Stimulus Plan is currently waived.

43. Press Release, U.S. Patent & Trademark Office, *USPTO Opens Application Exchange Program to All Applicants to Reduce Patent Backlog* (May 17, 2010), available at [http://www.uspto.gov/news/pr/2010/10\\_17.jsp](http://www.uspto.gov/news/pr/2010/10_17.jsp).

applications for patents on clean technologies will be expedited through the USPTO in a pilot program designed to reduce the review time from an average of forty months to twelve months.<sup>44</sup> By reducing review time, the process for “inventors to secure funding, create businesses, and bring vital green technologies into use much sooner” will be achieved in a timely and efficient manner.<sup>45</sup> The USPTO estimates that there may be as many as 25,000 applications already in the system that could potentially qualify for the new pilot.<sup>46</sup> However, in the first five months that the program was active, special status was only awarded to 342 patent applications.<sup>47</sup>

Because the focus of the Green Tech initiative is on clean technology, qualifying applications may also be eligible for the accelerated examination program. While it is helpful for these applications to be given special status and placed on an examiner’s special new docket, a delay in prosecution may occur when there are not enough examiners to examine applications based on clean technologies and when an examiner’s special new docket becomes lengthy. If applications in the special new docket must be acted on with precedence over regular new applications, the backlog of regular new applications will not be reduced significantly.

#### VI. REDUCING TOTAL PATENT PENDENCY USING THE THREE-TRACK INITIATIVE

The Three-Track Initiative, also known as the “Enhanced Examination Timing Control Initiative or Enhanced Examination Timing Control Initiative,” aims to efficiently prosecute patents by leveraging work previously done at foreign patent offices.<sup>48</sup> By participating in the Three-Track Initiative, an applicant may elect one track within the Three-Track Initiative as

follows:<sup>49</sup>

- A. Track 1: Applicants may request prioritized examination, or
- B. Track 2: Applicants may have their applications processed under the current procedure, or
- C. Track 3: Applicants may request a delay lasting up to thirty months before docketing an application for examination.

Applications claiming foreign priority will not be examined by the USPTO until the USPTO receives a copy of the foreign search report and until after a first action is mailed to the applicant by the foreign office and the applicant replies properly to the foreign office. Then, the application claiming foreign priority would be eligible for the Three-Track Initiative.<sup>50</sup>

By participating in the Three-Track Initiative, overall pendency will be decreased because Track 1 will result in increased resources and output; Track 3 will result in increased output by reusing search and examination work done by other offices, resulting in greater efficiency; and Track 2 will result in applications with lower priority or value being removed or abandoned from the system, freeing more resources for examination.

#### VII. REDUCING TOTAL PATENT PENDENCY USING THE OMBUDSMAN PILOT PROGRAM

By implementing the Ombudsman Pilot, the USPTO seeks to provide patent applicants, attorneys and agents with assistance when applications have become stalled in the examination process.<sup>51</sup> By enhancing customer service, the Office hopes to address issues hindering the most efficient, or compact prosecution of an application and provide feedback to management regarding training needs based on complaint statistics.<sup>52</sup>

While the Ombudsman Pilot is not likely to substantially decrease the amount of time that it takes for an application to begin the examination process, it will help to speed up the examination process because it will put more pressure on examiners to address issues that are slowing prosecution.<sup>53</sup>

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44. Josie Garthwaite, *Express Lane for Green Patents Can Help Startups* (Dec. 9, 2009), [http://www.businessweek.com/technology/content/dec2009/tc2009129\\_816926.htm](http://www.businessweek.com/technology/content/dec2009/tc2009129_816926.htm).

45. *Id.*

46. Kristina Peterson, *US Patent Office Fast-Tracks Green Tech Applications*, <http://www.advn.com/nyse/StockNews.asp?stocknews=GE&article=40668560&headline=us-patent-office-fast-tracks-green-tech-applications> (last visited Oct. 15, 2010).

47. Jim Singer, *USPTO Expands Green Technology Pilot Program; Eliminates the Program’s Technology Classification Requirement* (May 24, 2009), <http://ipspotlight.com/2010/05/24/uspto-expands-green-technology-pilot-program-eliminates-the-programs-technology-classification-requirement/>.

48. *Patently-O, Multi Track Examination: Enhanced Examination Timing Control Initiative* (June 6, 2010), <http://www.patentlyo.com/patent/2010/06/multi-track-examination-enhanced-examination-timing-control-initiative.html>.

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49. *See* 75 Fed. Reg. 31763.

50. *Id.*

51. Press Release, U.S. Patent & Trademark Office, *USPTO Launches Ombudsman Pilot Program* (Apr. 6, 2010), available at [http://www.uspto.gov/news/pr/2010/10\\_11.jsp](http://www.uspto.gov/news/pr/2010/10_11.jsp).

52. *See* 75 Fed. Reg. 17380 (Apr. 6, 2010).

53. Business Dictionary, <http://www.businessdictionary.com/definition/ombudsman.html> (last visited Oct. 15, 2010). In general, an ombudsman is defined as a government official

## VIII. SUGGESTIONS TO REDUCE TOTAL PATENT PENDING

To boost the economy by injecting a new wave of innovation, the amount of time it takes an applicant to obtain a quality patent may be further decreased by updating the USPTO classification system to allow an examiner to more quickly find relevant prior art, by implementing a strict standard with consequences for inventors and attorneys unwilling to explicitly point out and claim their invention, by implementing a three-tiered examination approach, and by hiring more patent examiners.

### A. Updating the USPTO Classification System

The examination process will run more efficiently if more classes within the USPTO classification system are updated. The U.S. Patent Classification system is vital for use in prior art searches.<sup>54</sup> It facilitates quick retrieval for relevant prior art for both inventors and examiners.<sup>55</sup> However, technology has evolved since the current classification system was created, and there are classes that need to be refined to allow specific and quick retrieval. By updating the classification system, the amount of time it takes for an examiner to receive a regular new application will decrease, and fewer applications will bounce between art units because it is unclear where they should be examined. Correctly classifying cases ensures that an examiner with the proper expertise receives the case, limiting unnecessary research and search delay.

### B. Assessing Penalties for Attorneys Deliberately Slowing Down Prosecution

Inventors and their attorneys should be held to a strict standard for explicitly pointing out and claiming their invention. Rather than specifically stating the novelty of the invention in the claims, many attorneys muddle the claims with confusing and sometimes redundant language in order to increase independent claim length. Consequently, examiners are forced to spend time sifting through the relevant claim limitations and finding prior art to map to limitations that are nothing more than fluff. By penalizing the applicant or attorney who is unwilling to properly advance prosecution, the examination process would be made more efficient, reducing the need for many

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appointed to investigate citizen's complaints against government officials.

54. US Patent Classification System, [http://www.intellogist.com/wiki/US\\_Patent\\_Classification\\_System](http://www.intellogist.com/wiki/US_Patent_Classification_System) (last visited Oct. 15, 2010).

55. *Id.*

requests for continued applications.

### C. Implementing Three-Tiered Examination

The USPTO should consider using a tiered approach for implementing prior art searches to speed up examination and ensure high patent quality because there are an infinite number of resources to search. Unfortunately, after an examiner has performed one lengthy prior art search, the examiner rarely requests that a searcher in the electronic information center perform another search for the same application because there are not enough resources available.

Creating a three-tiered approach will help to more efficiently classify patent applications from the start and ensure that the most qualified examiner receives the application for examination.<sup>56</sup> After the classifier has performed a classification search, they should annotate search terms and possible resources in the first tier. When the second searcher receives the application, they should also annotate relevant resources and possible relevant prior art to further limit the scope of the search. In the third tier, when examiners receive the application, they will be able to understand the application quickly based on notes and annotations from previous searchers, so a search may be conducted more efficiently.

### D. Increasing Patent Examiner Hiring

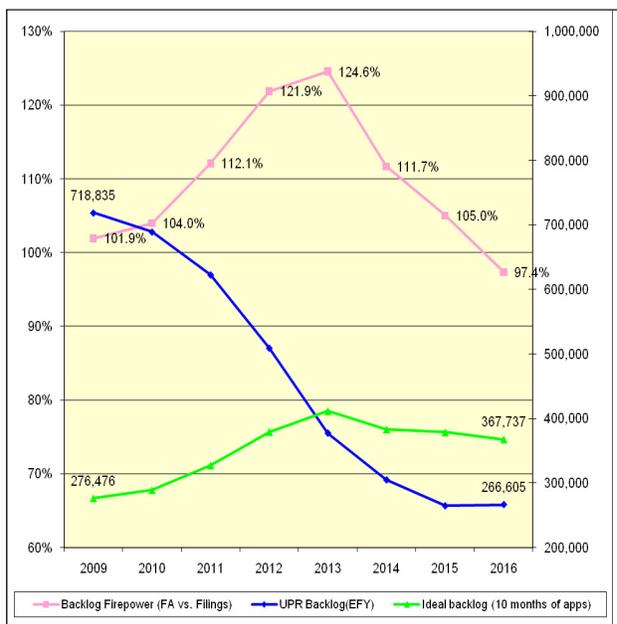
In order to reduce the patent backlog to achieve pendency on first actions to ten months by 2013, the USPTO estimated in February 2010 that it will need to hire 600 examiners in FY 2010, 1,000 examiners in FY 2011, 1,000 examiners in FY 2012, 100 in FY 2013, 100 in FY 2014, and 100 in FY 2015.<sup>57</sup> The USPTO created a simulation tool that predicts patent output based on historical data and input assumptions.<sup>58</sup> The following graph was produced using the simulation tool with the estimated number of needed examiners. Intersection of the green and blue lines shows that first action pendency at ten months will be achieved sometime in 2013.

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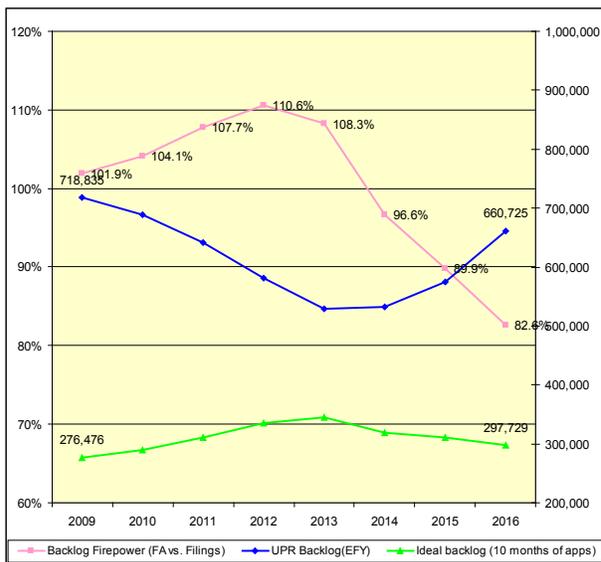
56. U.S. Patent & Trademark Office, *2010 – 2015 Strategic Plan* 1, 11 (2010), available at [http://www.uspto.gov/about/stratplan/USPTO\\_2010-2015\\_Strategic\\_Plan.pdf](http://www.uspto.gov/about/stratplan/USPTO_2010-2015_Strategic_Plan.pdf).

57. 2011 President's Budget, *supra* note 3, at 1, 19 – 20.

58. U.S. Patent & Trademark Office, Patent Pendency Model, [http://www.uspto.gov/patents/stats/patent\\_pend\\_model.jsp](http://www.uspto.gov/patents/stats/patent_pend_model.jsp) (last visited Oct. 26, 2010).



Conversely, as illustrated in the simulation below, if the USPTO curbs hiring to 300 examiners in FY 2010, 300 examiners in FY 2011, 300 examiners in FY 2012, 100 in FY 2013, 100 in FY 2014, and 100 in FY 2015, ideal first action pendency of ten months will not be achieved, and the backlog will likely remain between 500,000 and 700,000 applications.



By refining the classification system, requiring that inventors and their attorneys be held to a stricter standard for claiming their invention, creating a tiered approach to implementing prior art searches, and hiring more examiners, the amount of time for a qualified applicant to have a patent granted may be

reduced.

## IX. CONCLUSION

While the USPTO is running at full capacity to implement the discussed initiatives, it is clear that the agency needs more resources to hire examiners to reduce patent pendency and the patent backlog. Although the initiatives to make the system more efficient will likely be somewhat effective, they require additional examiners and more resources than are currently available. While the various initiatives provide opportunities for certain individual applications to skip through the system quickly, they do not significantly contribute to reducing the patent backlog as a whole.

Considering the economic struggles that the United States is facing, it is difficult to prioritize where to direct scarce financial resources. Unfortunately, although the USPTO has made valiant efforts to develop initiatives to optimize their current resources, the reality is that more financial resources are needed to consistently hire patent examiners through 2015. The United States must take an active position to show the public that innovation is important.<sup>59</sup> Otherwise, the backlog will continue to grow and the United States will indefinitely ride on the innovation coattails of other countries.<sup>60</sup>

59. *Patents, Yes; Ideas, Maybe* (Oct. 14, 2010), available at [http://www.economist.com/node/17257940?story\\_id=17257940&fsrc=rss](http://www.economist.com/node/17257940?story_id=17257940&fsrc=rss). The Chinese government is providing incentives for filing patents in order to increase Chinese competitiveness in the global market.

60. Nin – Hai Tseng, *Behind China's Surge in Patents* (Oct. 14, 2010), available at [http://money.cnn.com/2010/10/14/news/international/china\\_patents\\_innovation.fortune/](http://money.cnn.com/2010/10/14/news/international/china_patents_innovation.fortune/). China has the potential to become the world's top innovator, as China will likely surpass both the United States and Japan in patent filings in 2011.