

Lawyers Not Sold On New Patent Examiner Rules

By **Nick Brown**

Law360, New York (June 24, 2010) -- A proposal by the U.S. Patent and Trademark Office to change the standards by which patent examiners are evaluated may not be the answer to reducing the country's growing pendency of patent applications, and may actually clash with other programs already in place, according to lawyers.

The Patent Office Professional Association, a labor union that represents patent examiners, will vote this summer on changes that would alter examiners' performance appraisal plans by giving them more discretion in managing work flow and encouraging more interviews with inventors. The plan could take effect as early as October, if approved.

The task force that teamed up to unveil the proposal June 16, which included USPTO and POPA representatives, said the plan aimed to align the priorities of the agency with those of its workers by incentivizing quality of work and by reducing a backlog that has shot well beyond 725,000 pending patent applications.

"They can call it an improvement, but until we see more specifics, it's just a bunch of hype," former examiner Richard Lazarus, now of counsel at Barnes & Thornburg LLP, told Law360 on Tuesday.

Lazarus said he supported the "stakeholder interaction" aspect of the proposal, which emphasizes routine interviews between examiners, inventors and their attorneys, but said it could clash with the USPTO's popular work-from-home program.

With more than 2,000 patent examiners working from their homes — nearly a third of the total work force — parties may be hard-pressed to find a suitable time or location to hold an interview, Lazarus said.

"As long as they're still supporting that program, they're talking out of both sides of their mouths," he said.

The proposed new system could also clash with time frames put in place to prioritize certain types of patent applications, namely older applications, requests for continued examination and amended cases, lawyers said.

By allowing examiners more freedom, the USPTO runs the risk of letting those matters fall through the cracks, former examiner Stephen B. Maebius, now chair of Foley & Lardner LLP's intellectual property department, said Tuesday.

"Giving examiners more leeway on choosing which cases they handle first doesn't appear that it alone would solve the backlog," Maebius said.

But Seyfarth Shaw LLP's Ilan Barzilay, a patent prosecutor and litigator, said the USPTO should be able to encourage discretion while still finding a way to make sure important work gets done in a timely fashion.

"It may require instituting a pilot program in a certain sector of the office before rolling it out to the full office, but I think it's manageable," Barzilay said. "It's an interesting question, because there is that tendency to work on the fun projects first."

Peggy Focarino, the USPTO's deputy commissioner for patents, downplayed the concern, saying prioritized cases would still carry strict deadlines. What will change, she said, is the credit given to examiners for completing tasks early.

"Right now, you get the same credit whether you meet the deadline or exceed it," Focarino said. "It would change so that you get more credit for getting something done early."

She added that the work-from-home program would not detract from face-to-face interviews, saying they could generally be arranged during examiners' requisite biweekly reporting visits to the office.

Overall, Focarino said, the USPTO believes the proposed changes could have a strong, sweeping impact.

A spokeswoman for the agency told Law360 earlier in June that rather than introducing a few new procedural rules, the changes would mean a dynamic overhaul of the PAP system. In a similar statement released June 16, the USPTO called the proposal a "dramatic revision" of the program, the first since 1986.

But lawyers aren't sold on just how groundbreaking the proposal could prove to be, and said the USPTO's language may be too strong.

Calling the "total overhaul" label "total nonsense," Lazarus said the proposal was vague and seemed to lack the tangible elements needed to prove itself the definitive answer to the backlog question.

"When you overhaul a car engine, you take it totally apart and look at every piece, and then put it all back together again," he said. "That comparison does not apply here."

A third aspect of the proposal — labeled by the USPTO as the "single quality element" — vows to improve transparency on how the office measures quality of work and what responsibilities examiners have, Focarino said.

But that may be easier said than done, Maebius said, noting that carrying out a thorough examination can mean utterly different things depending on the industry and technology.

"When you're dealing with a difficult issue like obviousness, it's not always clear whether something is a mistake or not, and the very nature of patentability is at some level hard to evaluate," he said.

Maebius added that the ideas were generally good ones, but he stopped short of endorsing the USPTO's characterization of the plan as a major overhaul.

"I don't think it qualifies as that, especially with respect to interviews, which are already something that's done in some areas," Maebius said. "I don't think it's going to radically change procedures."

Barzilay said he generally supported the various programs and proposals recently unveiled by the USPTO, namely its changes to the examiner count system and its proposed three-track examination process, even if they're better on paper than in practice.

The count system — the mechanism used to credit examiners for the completion of each case — was modified in February to credit quality, rather than quantity, by giving examiners more time to work on projects.

Meanwhile, the three-track system, which is still in the public comment phase, would allow inventors to pay more to have their applications processed more quickly.

“I think all the changes that have been floated, even the unsuccessful ones, have been good attempts,” Barzilay said. “I say that because they're clearly making a very real effort to get to the heart of the backlog issue.”

Lazarus also acknowledged that effort, and said he was pleased with the energy level from USPTO Director David Kappos.

But success must be measured based on results, not effort, he said.

“Once [Kappos] can do something that really gets that backlog down, that's when I'd say I'd be absolutely happy,” Lazarus said.