

PUBLIC POLICING OF THE PATENT SYSTEM: EXPANDING UPON THE SUCCESS OF “PEER TO PEER”*

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The PTO needs to escape from its overwhelming backlog of patent applications awaiting examination. Coupled with the flood of applicant-generated prior art submissions and arguments to cope with the duty of disclosure, the PTO is simply overwhelmed in paper.

A major part of the problem is the absence of a coordinated system of patent worksharing; but, while patent worksharing is very important, it, alone, will not end the problem. Overcoming the huge amount of paper generated by applicants to meet their disclosure duty also hinders any immediate solution to the backlog problem because the filing of large volumes of paper in some cases makes examination more difficult than if the Examiner were left alone to do his work. If the paper glut from the duty of disclosure were coupled with a *meaningful* and paper-controlled participation by the public, then meaningful progress toward a prompt, quality examination could be achieved.

For the past generation, it has been proposed that *the public* should shoulder the burden of policing patent claims through an opposition system.¹ In other words, the duty of disclosure would be replaced by letting the public enter the

* Paper circulated July 7, 2008. This paper represents the personal views of the writer and does not necessarily reflect the views of any colleague, organization or client thereof.

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¹ The AIPLA “Lee Committee” studied the issue of inequitable conduct for several years in the 1980’s and early 1990’s. The writer’s most recent treatment of this issue as part of the Lee Committee is reported as Harold C. Wegner, *Patent Simplification Sans Patent Fraud*, 20 AM. INTELL. PROP. L. ASS’N Q. J. No 3-4, pp. 211-230 (1992).

system and serve as the “patent police”: If the public presented the best arguments against a patent applicant, then the Examiner would be able to *examine* and not also search and argue the case for the public.

But, this solution has never been a viable option up until the present time: There is still even today a widespread mistrust of opening what to many is a Pandora’s Box that would, some say, unduly complicate the current *ex parte* examination regime. “What if, this?” What if, that?” A parade of unending horrors has heretofore slammed the door on public participation in patent examination.

Now, however, the creative peer-to-peer program has generated success in its initial trial; it has generated widespread support amongst its users.²

The possibility of a *statutory* change has been proposed to implement a peer-to-peer program.³ Making a statutory change has been proposed because of a seeming statutory roadblock that proscribes a peer-to-peer program.⁴

But, a statutory solution will not be possible in the near term due to the continued reluctance of many in the patent community to opening the door to third party participation. The parade of horrors continues, unabated. Yet, the excellent example of success of the peer-to-peer program should be an incentive to

² Mark Nowotarski & Tom Bakos, *Repeal 35 USC 122(c)at least for Business Methods*, Patently O, July 6, 2008, <http://www.patentlyo.com/patent/2008/07/repeal-35-usc-1.html>. Their blog posting is attached.

³ *Id.*

⁴ 35 USC § (c). “Protest and pre-issuance opposition. - The Director shall establish appropriate procedures to ensure that no protest or other form of pre-issuance opposition to the grant of a patent on an application may be initiated after publication of the application without the express written consent of the applicant.”

many applicants to *welcome* a peer-to-peer program, particularly if coupled with a change in the duty of disclosure for volunteers to the program.

This paper outlines a *voluntary* peer-to-peer program that could be implemented through simple rulemaking, all without any statutory change.⁵

In a nutshell, patent applicants could opt in to a “Pre-Examination Public Submission Program” that would permit any member of the public a fixed window of time before examination to present a concise argument (40,000 word maximum) supported by several prior art references (50 pages maximum) that would give the Examiner a head start on examination. Bookending the examination process – during which *no* third party participation would be permitted from start to finish, there would be a brief time window at the allowance stage for final comments by third parties (again, a 40,000 word maximum).

In exchange for participation in this program, the applicant’s duty of disclosure would be *waived* for anything other than deliberate misstatements of material facts. This would greatly cut down on the *in terrorem* paperwork maze that now piles up on Examiners’ desks.

If successful, then this could be a model for a statutory codification that would make the program *mandatory*, including a repeal of 35 USC § 122(c) and the modification of the case law-mandated duty of disclosure.

⁵ To the extent that a broad-based peer-to-peer program is found to be a great success, at *that* time a statutory change could be considered. Any earlier presentation of such a proposal would be doomed to failure.

Pre-Examination Public Submission Program

37 CFR § 1.101. Pre-Examination Public Submission Program. (a) Concurrently upon filing or within eighteen months from the earliest claimed filing date, the applicant may file written consent within the meaning of 35 USC § 122(c) to waive all aspects of an applicant's rights under that section whereupon the Director shall promptly publish a notification that the application is included in the Pre-Examination Public Submission Program.

(b) The Director shall publish an expected earliest date for first action examination based upon the backlog of cases for the relevant area of technology and shall not take the application up for first action until that date is reached. The expected date of publication may be revised from time to time but in no case will a date be set less than one year from the date of the latest notification.

(c) Any person at any time up to within six months before the earliest date of first action as determined by the foregoing paragraph may submit up to five prior art references within the meaning of 35 USC § 301 and include a summary explaining the relevance of such prior art. The submission including attachments shall be electronically made via pdf file format. If the cumulative total of references contain more than fifty pages, the applicant shall designate up to the forty most relevant pages which shall be the sole matter studied by the examiner. No summary shall exceed a certified word count of 40,000.

(d) Within two months before the earliest date of first action as determined under paragraph (b), the applicant may submit a voluntary statement in response to any third party submissions under the foregoing paragraph, including amendments to the claims.

(e) Prior to a Notice of Allowance, the Examiner shall cause to be published a Notice of Proposed Allowance, which shall be promptly electronically published and open a three month window for a Protest by the public that shall consist of a Brief of up to 40,000 Words explaining why a claim or claims should not be allowed. No other submission shall be permitted.

(f) No third party submissions shall be permitted before grant other than as specified in this section.

(g) The duty of disclosure and requirements for Information Disclosure Statements under 37 CFR §§ 1.56, 97-99, shall be waived in consideration for participation in the Pre-Examination Public Submission Program. Participation in the Pre-Examination Public Submission Program supersedes any otherwise applicable duty of disclosure under Federal Circuit case law other than insofar as a deliberate, intentional misrepresentation of a material fact may be implicated.



Jul 06, 2008

Repeal 35 USC 122(c)at least for Business Methods

By Mark Nowotarski and Tom Bakos

35 USC 122(c) needs to be repealed and replaced with a law that will allow a more efficient and effective examination process. The current legal requirement to prevent third parties from participating in the patent examination process is no longer in the best public interest. Peer to Patent has shown us that public participation works, but the next step is impossible until 122(c) is at least amended. An examination process that utilizes the expertise of the industries in which applications lie has now become essential in the very difficult to examine fields of software, pharmaceuticals, and business methods.

35 USC 122(c) was added to the American Inventors Protection Act of 1999 to protect the interests of applicants, particularly small entities, once their patent applications were published. The concern at the time was preventing major corporations from harassing independent inventors by inundating the patent office with submissions and commentary intended merely to delay and ultimately prevent otherwise well deserved patents from issuing.

Times, however, have changed.

The USPTO can't keep up with demand in part because it lacks technical expertise in many fields. A growing public perception is that patents inhibit innovation. The Supreme Court is openly questioning the presumptive validity of business method patents and political forces are aligning themselves to legislatively restrict the scope of patent protection in some of the most promising areas of growth in our economy, such as the financial services sector.

Recent trials of the Peer to Patent program have shown that well regulated systems for third party submissions and commentary can be set up to effectively assist examiners and dramatically improve the efficiency and thoroughness of patent examination. The system demonstrated its ability to harness the efforts of third party reviewers, including those in the employ of large corporations, to not only uncover important prior art, but to provide useful commentary as well. And, it did this without the feared negative consequences of large corporations unfairly dominating the examination process. But Peer to Patent is of limited use as long as 35 USC 122(c) restricts it to applicants who volunteer to have their applications reviewed and stops the review once the application is in the hands of an examiner.

Our experience in working together on several business method cases is that the combined efforts of a practitioner (like Mark) and third party technical expert (like Tom) yields dramatically higher quality applications and faster prosecution. We see no reason why the same principles can't be applied by the USPTO so that examiners, with the proper safeguards, can work with third party technical experts to get higher quality patents to issue in substantially less time.

Recent advances in the art of public participation in patent examination can be applied to assure that large corporations do not unfairly monopolize third party submissions thus rendering 35 USC 122(c) in its current form no longer necessary. Rather than requiring the Director to block third party submissions, the law should allow the Director to harness the efforts of outside experts in order that inventors can receive the timely and thorough patent examination they deserve.