

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Patent Quality Metrics for Fiscal Year 2017 and  
Request for Comments on Improving Patent Quality Measurement

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Docket No. PTO-P-2016-0006

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**COMMENTS OF THE INTERNET ASSOCIATION**

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## STATEMENT OF INTEREST

The Internet Association’s mission is to foster innovation, promote economic growth, and empower people through the free and open Internet. As the voice of the world’s leading Internet companies, the Internet Association ensures that all stakeholders understand the benefits the Internet brings to our economy.<sup>1</sup>

The Internet Association is ideally situated to comment on the PTO’s patent quality initiatives. Each year, Association members collectively invest billions of dollars on research and development, frequently driving the development of technological products and societal freedoms through their creativity and innovation. The Internet Association’s members face an unprecedented barrage of patent assertions and litigation—the vast majority of which involve low quality patents. Given the substantial experience of its members on both sides of patent enforcement and litigation, the Internet Association can offer a balanced perspective on the PTO’s efforts to enhance patent quality and patent quality measurement.

## INTRODUCTION

The Internet Association applauds the PTO’s efforts to improve the measurement of patent quality as part of its overall effort to enhance patent quality. The Internet Association previously provided comments (“Prior Comments”) on the PTO’s Request for Comments on Enhancing Patent Quality (“Prior Quality Request”).<sup>2</sup> The Internet Association now submits these comments in response to the PTO’s Request for Comments on Improving Patent Quality Measurement (“Request”).<sup>3</sup>

As the Internet Association’s Prior Comments explained, high quality patents promote innovation in numerous ways, while low quality patents stifle innovation, disrupt the economy, and injure the public.<sup>4</sup> The Internet Association believes that improving the measurement of

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<sup>1</sup> The Internet Association’s members include Airbnb, Amazon, Coinbase, DoorDash, Dropbox, eBay, Etsy, Expedia, Facebook, FanDuel, Google, Groupon, Handy, IAC, Intuit, LinkedIn, Lyft, Monster Worldwide, Netflix, Pandora, PayPal, Pinterest, Practice Fusion, Rackspace, reddit, Salesforce.com, Snapchat, Spotify, SurveyMonkey, Ten-X, TransferWise, TripAdvisor, Turo, Twitter, Uber Technologies, Inc., Yahoo!, Yelp, Zenefits, and Zynga.

<sup>2</sup> See USPTO Dkt. No. PTO–P–2014–0043, Comments of the Internet Association, May 6, 2015 (“Prior Comments”); *Request for Comments on Enhancing Patent Quality*, PTO–P–2014–0043, 80 Fed. Reg. 6475 (Feb. 5, 2015) (“Prior Quality Request”).

<sup>3</sup> See Request for Comments on Improving Patent Quality Measurement, PTO-P-2016-0006, 81 Fed. Reg. 16142 (Mar. 25, 2016) (“Request”).

<sup>4</sup> See Prior Comments at 1.

patent quality is fundamental to improving examination and to ultimately producing high quality patents and commends the PTO for recognizing that link in its patent quality initiatives.

## STATEMENT

The Request sets forth a proposed Master Review Form for analyzing patent examination quality and seeks comments on (1) the key drivers in patent examination quality metrics, (2) how the patent metrics can better provide objective measurements of quality, and (3) whether the PTO's decision to separate measurements of examination quality and record clarity from surveys of internal and external stakeholder opinions and transaction process indicators is correct.<sup>5</sup>

The Internet Association's comments address these issues and integrate its "[s]uggestions for rephrased or additional quality metrics review items, especially clarity indicators" that the PTO has also welcomed.<sup>6</sup>

### **I. Key Drivers: Measuring Patent Quality Should Focus On Omitted Rejections And The Clarity Of Claims.**

Since 2005, the PTO has focused less and less on allowed cases when measuring patent quality.<sup>7</sup> But patent quality is ultimately determined by the quality of the issued patent. Thus, the PTO's quality metrics should be focused on whether allowed applications should issue as patents, as well as the correction of prosecution errors that lead the Office to issue low quality patents. Doing so would immediately benefit the public.

Thus, a key component that patent examination quality metrics should capture is the frequency and type of omitted rejections. The failure to make proper rejections damages the quality of issued patents more than any other factor. It can lead to claims that should never have issued improperly removing subject matter from the public domain and generating wasteful litigation—either because the invention itself is not patentable or because the claims are broader than the patentable content of the application.

The PTO's proposed Master Review Form ("MRF") captures omitted rejections for each statutory requirement. The Internet Association supports this use of the MRF.

A second key component that patent examination quality metrics should capture is the clarity of claims and claim terms. A patent is a potentially powerful government grant that provides the patent holder with the right to exclude others from making, selling, or using a claimed invention.

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<sup>5</sup> See Request at 16145.

<sup>6</sup> *Id.*

<sup>7</sup> See *id.* at 16142-43.

Upon issuance, the public deserves notice of exactly what the inventor is claiming, *i.e.*, of what is being removed from the public domain. Patents with unclear claims defeat the notice function of claims and are therefore intrinsically of low quality. This is true even where the patent discloses a significant invention.

The proposed MRF, however, measures very little with respect to claim clarity or the construction of claim terms. As set forth in detail below, the Internet Association urges the PTO to use the MRF to measure the clarity of claim terms and the extent to which claim construction is made of record.

## **II. The PTO's Proposed Master Review Form Should Measure Claim Clarity.**

The MRF should measure the clarity of claim construction as it appears in the record. First, the Internet Association suggests that the MRF should reflect whether the meanings of disputed claim terms were clarified in the record. For example, whether a reference meets a particular limitation is often a dispute regarding the meaning of claim terminology. Where that is the case, the MRF should report whether the Examiner's interpretation was made of record and whether the applicant was required to accept or dispute that interpretation.

In addition, the MRF should reflect whether the meaning of functional claim language was clarified in the record. Claims expressed in functional terms or as results are particularly susceptible to clarity issues upon issuance as well as abuse in litigation.<sup>8</sup> Thus, the Internet Association supports using the MRF to measure the use of Section 112(a)/(b) rejections once Section 112(f) is invoked, as proposed,<sup>9</sup> but urges the PTO to collect more information.

More specifically, the PTO should add a section on claim construction to the MRF so that the agency can track whether Examiners explicitly indicate whether or not a claim is a means-plus-function claim under Section 112(f). Requiring and tracking an explicit indication for functional claims would clarify the scope of every claim that uses functional language and allow patentees to amend claims where they believe the Office has incorrectly applied Section 112(f). This would also assist the PTO in measuring the proper application of Section 112(f) in view of the detailed training materials produced by the Office.

Finally, the Office previously requested comments on a proposal to promote clarity of the record.<sup>10</sup> The Internet Association's Prior Comments explain that clarity of the claims and

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<sup>8</sup> See Prior Comments at 8-9.

<sup>9</sup> See Master Review Form at 7, 17, available at <http://www.uspto.gov/sites/default/files/documents/MRF.pdf>.

<sup>10</sup> See Prior Quality Request at 6479, col. 1-3.

record is crucial to the Office's efforts to improve patent quality.<sup>11</sup> The Internet Association further suggested that applicants be required to define key claim terms, demonstrate support in the specification for original and amended claims, and make claim construction explicit for claim limitations relied on in overcoming rejections.<sup>12</sup> As the PTO moves forward with its clarity initiative for enhancing patent quality, it should adopt those requirements and incorporate them into the MRF.

### **III. The PTO's Proposed Master Review Form Should Measure Use Of The Global Dossier.**

The PTO's Global Dossier Document Sharing System makes prior art from counterpart international applications more accessible.<sup>13</sup> As the Office recognizes, this increased access should improve patent quality when the Examiners take advantage of it.<sup>14</sup> Proper use of the Global Dossier should therefore be encouraged and measured within the MRF. In particular, the MRF should identify whether the Global Dossier interface was used appropriately by the Examiner to review and cite prior art from related international applications.

### **IV. The PTO's Proposed Master Review Form Should Be Used Transparently, And All Quality And Transactional Data Should Be Freely Available.**

The Internet Association supports the Office's proposal to harmonize its quality review with a single Master Review Form. Use of a single form will lead to consistent capture of quality-related data in all quality-related reviews. Moreover, the Internet Association believes that this consistent capture of quality-related data will encourage robust management of the examination process by Supervisory Patent Examiners, which will have a positive impact on patent quality.

The Office should make clear, however, when the MRF will be used and how the cases for review will be selected. As noted above, the Internet Association strongly urges the PTO to review cases at the allowance stage. But no matter when the agency uses the MRF, it should produce guidelines setting forth both when the MRF will be applied and how, *i.e.*, which portions of the MRF will be applied and by whom.

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<sup>11</sup> See Prior Comments at 2, 6-10.

<sup>12</sup> See *id.*

<sup>13</sup> The Global Dossier will be delivered soon and is to be completely integrated with existing systems. See Patent Public Advisory Committee Quarterly Meeting IT Update at 9 (May 5, 2016), available at [http://www.uspto.gov/sites/default/files/documents/20160505\\_PPAC\\_OCIO\\_Update.pdf](http://www.uspto.gov/sites/default/files/documents/20160505_PPAC_OCIO_Update.pdf) ("PPAC May 2016").

<sup>14</sup> See Global Dossier Initiative, available at <http://www.uspto.gov/patents-getting-started/international-protection/global-dossier-initiative>.

The Internet Association further supports the proposed clearer reporting of metrics,<sup>15</sup> but suggests that the process be made transparent so that the underlying data be freely available to the public. By making both quality and transactional data freely available, the agency would bring the power of the Internet to the study of PTO work quality. Academics and stakeholders that study the PTO currently have difficulty accessing the less-than-robust public data available from the PTO. A user interface that allows open access to all collected data would serve the PTO and the public interest.

## **V. The PTO Should Collect And Report More Robust Transactional Data For All Applications.**

The PTO properly recognizes that the collection of transactional data across all pending applications can assist the agency in identifying potential quality issues. The current scope of data collection, however, appears too limited to capture the merits underlying the transactions.

For example, the agency can identify certain events like consecutive non-final Office Actions or consecutive restriction requirements.<sup>16</sup> But none of the anomalies being tracked—and apparently none of the tracking codes used—reflect the actual merits of an Office Action.<sup>17</sup> There are separate codes for non-final and final rejections.<sup>18</sup> But there is apparently no way to distinguish a rejection under Section 103 from one under 112(b).

Using transaction data to track anomalies like consecutive non-final Office Actions may indicate areas for quality investigation, but tracking anomalous trends or events in the merits of Office Actions would be far more powerful. The PTO's proposed MRF shows the importance of "improving the granularity of work product quality measurement to monitor compliance with each statutory provision."<sup>19</sup> This same "granular[]" focus on "each statutory provision" should apply to the transactional data the PTO collects across all applications.<sup>20</sup> In particular, the agency should add additional codes that reflect the merits underlying each Office Action.

Rejection-specific codes collected across all Office Actions would prove an invaluable asset in better understanding and locating areas for quality investigation. This additional information would not only be more useful to the PTO than merely tracking procedural transactions (*e.g.*, the

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<sup>15</sup> Request at 16144.

<sup>16</sup> *Id.* at 16143.

<sup>17</sup> See Image File Wrapper Document Codes, available at <http://www.uspto.gov/patents-application-process/checking-application-status/e-office-action-program#heading-3>.

<sup>18</sup> *Id.*

<sup>19</sup> Request at 16143, col. 2.

<sup>20</sup> See *id.* at 16143-44.

number of times a particular case has been reopened), it would greatly aid in identifying the potential cause of anomalous behavior. As with the MRF, the agency could use this information to identify “meaningful data” related to statutory compliance at the “work group and art unit level.”<sup>21</sup> For example, an art unit that never issues rejections under 103 might require scrutiny to determine whether Section 103 is being properly applied. Similarly, if a work group gets poor marks on several Section 102 rejections, the use of merits coding would allow OPQA to easily review, for example, the most recent ten Section 102 rejections from the work group. From that review, OPQA could then determine whether the poor marks are mere statistical clustering or if additional training in a particular area, *e.g.*, inherent anticipation, is needed.

The Internet Association understands that there is a cost whenever any principal (here the Director) better tracks the work of its agents (here the Examining Corp).<sup>22</sup> But the new codes proposed would build on codes already in place so the cost would be minimal.<sup>23</sup> Furthermore, the use of form paragraphs in the Office Action Correspondence System for every rejection implies that the PTO could accomplish this coding for the one-time cost of programing, rather than requiring mechanical coding by Examiners in every case.

Ideally, the enhanced data would also track the Examiner’s use of prior art, including coding of Examiner-cited prior art as non-patent literature versus patent literature across all applications. This would allow the PTO to identify which groups or units cite the most (and least) non-patent literature, and would help measure the impact of the STIC Awareness campaign that is part of the quality initiative.

Finally, the Internet Association notes that the PTO’s implementation of its Patent End-To-End project is proceeding apace.<sup>24</sup> Including more robust tracking within the roadmap of upcoming events would allow the PTO to roll out superior tracking as part the general improvement of the IT system.

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<sup>21</sup> *See id.* at 16143.

<sup>22</sup> *See generally* J. Stiglitz, Principal and Agent, Allocation Information, and Markets, (J. Eatwell, et al. eds., 1989).

<sup>23</sup> *See, e.g.*, M. Libicki, I. Brahmakulam, The Costs and Benefits of Moving to the ICD-10 Code Sets, RAND Corp. (Mar. 2004) (an example of the cost-benefit analysis of upgrading the coding system in the health-care industry prepared for the Department of Health and Human Services).

<sup>24</sup> *See* PPPAC May 2016 at 3.



## VI. The PTO Rightly Proposes To Separate Its Quality And Clarity Metrics From Opinion Surveys And Transactional Data.

The Internet Association supports the Office's proposal to separate its quality and clarity metrics from opinion surveys and transactional data. As the PTO recognizes, its quality metric should not include opinion surveys or work-process indicators. Merits data is the best, and perhaps only, indicator of quality from the factors the PTO currently incorporates in its Quality Composite.

Separately tracked and reported opinion surveys that track the perceptions of applicants and Examiners may be useful to the agency. But, as the PTO recognizes, these surveys track subjective factors that should not be mixed with any objective measure of patent quality. Indeed, as shown in the Internet Association's Prior Comments, such surveys may skew toward "higher quality" with more allowances.<sup>25</sup>

Transactional data may be very useful in demonstrating anomalies for further investigation—particularly where the agency tracks transactional merits data, as proposed—but compliance with procedural timelines is not directly relevant to issued-patent quality.<sup>26</sup> Thus, the Internet Association agrees with PTO that such results should not be measured against a goal as was done with the Composite Quality Metric.<sup>27</sup>

### CONCLUSION

It is often said that in order to improve something, you must first measure it.<sup>28</sup> The Internet Association supports and appreciates the PTO's efforts to measure patent quality. The PTO's quality measurement proposals—modified as suggested—would be a positive step in addressing and ultimately improving the quality of issued patents.

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<sup>25</sup> See Prior Comments at 13, 15.

<sup>26</sup> See Request at 16142.

<sup>27</sup> See *id.* at 16143.

<sup>28</sup> See, e.g., 12 CIO Enterprise at 10 (Sept. 15, 1999) ("Measurement is the first step that leads to control and eventually to improvement. If you can't measure something, you can't understand it. If you can't understand it, you can't control it. If you can't control it, you can't improve it.") (*quoting* H. James Harrington).