

Remarks at the USPTO Patent Quality Summit

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*The original video from which this was transcribed is available here:
<http://livestream.com/uspto/PatentQualitySummit>*

┘ Good morning, everyone. I am much honored to be part of this important discussion. 1:29

I would like to associate myself with all of the remarks made by the preceding speakers. I think they have covered a great deal of ground with a lot of precision, and I accept and endorse everything said by each of the prior speakers.

What I would like to try to add reflects of course the perspective of courts and judges. And of course judges live and die by words. Though I want to start by making a few observations about the language we use in these kinds of discussions, and to invite a deeper examination of the underlying meaning.

So, for example, when we talk about “patent quality,” it’s important to parse what we mean by quality. Frequently, there are discussions in which people bemoan low-quality patents or ┘ wish for high quality patents. I think I want to challenge that a little bit, because I don’t think it’s helpful to consider patents as coming in categories of low quality, medium quality, high quality. It doesn’t really get us anywhere at the end of the day. It’s really a binary question: the patent is valid, or it’s not valid. Or, more particularly, the claim is valid or not valid. So when we’re talking about patent quality, maybe we should really be talking about claim quality, because it’s one claim at a time. 1:30

The second word I’d like to hold up is “examination.” I think some people vaguely think, without great thought into the details, that examination by technically trained qualified examiners is basically a technological exercise. ┘ And I would suggest that that’s not the best way to think about it, although there is some truth in that. 1:31

I would define patent examination as follows: it's a process for making a legal judgment based on technological documents. A legal judgment. And, therefore, I would suggest that a patent examiner first and foremost is an adjudicator. An examiner is as much an adjudicator as an administrative patent judge, or a district judge in the federal courts, or a Federal Circuit judge, or a Supreme Court justice is.

1:32 Now, there are roughly six crucial standards that a patent claim has to meet to be patentable and to issue—and to be considered valid once it is issued. And we all know that the first is eligibility, section 101, second is novelty, section 102. Nonobviousness is third, section 103; definiteness, complete description and enablement—all parts of section 112—so six basic tests. I sometimes think it's helpful to me at least to consider them as hurdles. The applicant is like a track star and has to surmount six successive hurdles. And if the applicant, in a particular claim, trips over any of the hurdles, the race is over. It doesn't matter that the other five were surmounted.

1:33 Now from 22 years on the Federal Circuit, it's my rough impression or observation that for a very large portion of the patents, certainly most, I don't—maybe quite say, nearly all—but somewhere between maybe 70 and 90% of the patents that I had the occasion to review, I came away with the impression that a number of the claims were rock solid under all six tests. That some claims were sort of in a gray zone, kind of borderline, maybe solid, maybe a little doubtful. And almost always there were some claims that looked to me grossly overbroad.

1:34 And I want to say I think they were intentionally written to be overbroad. Because it's the incentive for the prosecutor to claim narrowly for safety—they're the rock solid ones—but as broadly as possible, with the thought that they're serving the client's interests. Now I'm not going to get into whether that really serves the client's long-run interests—if it's later invalidated as was mentioned earlier. But I think the reality is that most prosecutors feel pressure to claim somewhat narrowly in part, but also broadly—and really overbroadly—and they do it, and that's where the problem comes in of claims being issued that shouldn't be issued.

1:35 So what is the examiner to do? Seems to me that one approach that examiners can take—and maybe they do, I don't really know—is to try to divide the claims in the application into these three rough categories. And to focus on where the dividing line is between category 2, kind of on the borderline, and category 3, grossly overbroad. And to focus the examination on the claims that are in that at that dividing line between the first and second zones versus the third zone.

Now it is the tradition as I understand it for the examination to focus quite heavily on section 103 and perhaps secondarily on section 102. And I think that's entirely appropriate still. But I would put in a huge plea to the examining corps, to the SPEs, and to the top management, to give much greater emphasis than I think I've ever seen

before to section 112. That is often the easiest and best way to prevent an overbroad claim from issuing.

Now I stress that examiners should be considered adjudicators. And hopefully consider themselves to be adjudicators. One of the things that adjudicators have is the power to force change. I agree with the comments made by the preceding speakers, of the responsibility of the applicant and the applicant's representative. But at the end of the day, it's really the examiner that has to call the shots, that has to set the limits, that has to force the changes. 1:36

Examiners have enormous power because they have the power to say no. If they don't say yes, then the claim doesn't issue; then the patent doesn't go anywhere. And they can use that power to force amendments, to force definitions, to force clarification of scope. And they should use that to the hilt, in my opinion. And I'm not saying it's easy, but an additional tool that's a very strong tool, and it should be fully exploited by examiners for the benefit of everybody.

I want to pick up on my linguistic parsing. When we talk about "customer service," I get a little bit nervous. I understand the basic idea; I agree with it to an extent. But we need to consider, you know, who is the customer, if we're going to use that term. Well, yes, the applicant is the immediate customer in front of the examiner on paper or across the table. But the customer's also everybody else in that industry. Every other patent holder or future applicant in that technology. So the examiner has to serve the customer that's present, but also has to serve all those other absent, remote customers equally. 1:37

The examiner really is the guardian of the public domain. Every time a patent claim issues, it takes something out of what would otherwise be the public domain. That's well and good, that's the way the patent system is supposed to work, but it's a very important act, to take something out of the public domain, because it means someone else will have to pay to use it, or maybe be barred from using it at all. 1:38

So that's part of the difficulty of the examiner: because the examiner is trying to serve immediate customers and remote customers. Trying to serve the present but also the future. It's difficult, and of course it's all the more difficult under the time constraints and the limits of available, readily accessible prior art and all the other factors we all know about. And in other ways the examiner's role is very daunting. The examiner really has to serve two separate systems of thought: technology and law. And they aren't easily merged. But that's what the examiner has to do.

Of course, the foundation of the examination under every one of the six tests is claim scope. And that inevitably involves construing critical terms—can't construe every term and every limitation and every claim because we'd multiply into hundreds or even thousands—and so selectivity becomes the best tool. A thing that I learned 1:39

above all else in terms of process as a circuit court judge was that salvation is in selectivity. You can't give equal time and attention to every single thing. It's just not possible.

1:40 Consider the typical patent. Let's say it has ten claims, and each claim has ten limitations. So that's a hundred. So then there's six hurdles. So that's six hundred. So then there's the prior art. It would—let's say, there are sixty relevant references. You can do the math. You can see that the number of decisions the examiner has to make is enormous, and they can't practically be made with, you know, full dress attention to every single one of them. It can't be done within the allowable resources. So selectivity becomes the key.

1:41 So the examiner might ask herself or himself questions like this. Question number 1: which claim is the most suspect of this array of ten or twenty or thirty claims? Question 2: which limitation in that suspect claim looks a little weaselly, a little unclear, a little too broad, something off about it? Question 3: of the six hurdles, maybe they aren't all of equal height. Maybe some are low hurdles, but maybe some are high hurdles for this particular claim. Maybe one is the thing to stress first, or maybe 101 or 103. It varies, of course, depending on the claim, but skilled examiners can use the notion of selectivity to pick out which claim—pardon me—which test to emphasize.

Now I understand they're supposed to apply all relevant portions of the statute, and I'm not arguing against it. But I'm talking about emphasis. Yes, they have to do them all, but which is going to be the best? Again, it comes back to selectivity.

1:42 Now much has been said about the importance of the record. Now again, from my experience on the Federal Circuit, building a record in that environment—writing judicial opinions—is not as simple an exercise as might be thought. For one thing, the input is enormous. In every case there were 35,000 words in briefs to read and remember and understand and integrate. In every case there was an appendix that ran from many hundreds to many thousands of pages. So just the sheer quantity of the puzzle pieces that you had to attend to and assemble and understand—huge.

So what's the solution? Once again you have to be selective, not only on the analysis side of where you put the emphasis, but on the record making side. In that environment, writing the opinion, you can't write a full dress opinion about every part of every issue in every case. The opinion would have to be 300 pages long, and the time to do that doesn't exist. So selectivity at the analysis point, but also selectivity at the explanation point, the record building point.

1:43 Now a lot of people seem to equate record building with quantity or length or verbosity. First of all, it's impossible, as I've been trying to point out. But secondly, it's not necessary. Because usually an examiner, or a judge later, can get a pretty good sense of where the pivot points are, and to make sure that those are clarified in

the record. Not everything, but the identifiable pivot points. That's practical. That doesn't take dozens of pages. That can be done in a very terse fashion. So I commend that approach.

Now much has been said about public-media/policy-maker discontent with the problem of patents issuing that aren't valid as it later turns out. But we should also remember that, as in all error situations and human endeavors, there are both the opportunities for false positives and the opportunity for false negatives. It's terrible if an overbroad patent issues from this agency. But it's also terrible—I would almost want to say equally terrible—if a valid patent is rejected in this agency. Because that forces the applicant to appeal maybe through multiple levels, which costs money which takes time. So false positives and false negatives are equally to be avoided to the maximum possible extent, I would think. 1:44

Now I've commented in several respects about the difficulty of the job of the examiner. But you know, if we think about the relative potential, you know, the Peter Principle applies in all hierarchical arrays and human activity. So who's the least qualified person to decide a patent issue in our system? Answer: Supreme Court justice. Who's the second least qualified person? Federal Circuit judge. Who's the third least qualified person? District judge. And so on and so on. 1:45

So where does this leave the examiner? The examiner, and the SPE, and the quality control people in this agency are the best hope because they have the best qualifications and they have the best tools and it's the focus of their work. So the potential for improving the patent system by our working together on an ongoing basis to help the examiner optimize their performance—it has vast potential to improve the system that will increase the certainty that the business leaders all stress that they need, to the maximum possible extent, as Roy reminds us.

And it will solve the problem of credibility in terms of does Congress trust the agency, trust the patent system? Many, many goods will flow if we can make marked improvements, which I'm sure we can in the quality of examination. 1:46

Now, part of the credibility is accuracy: only valid patents issue and valid patents are not rejected. Both the positive and the negative. But another dimension of it that is equally important is consistency. No system can maintain credibility if the outcome of the particular case totally depends on the happenstance of who the decisionmaker is. So district judges—there are 600 of them in America in 94 districts—have to work very hard to try to act consistently, in nearly identical cases, with all of the other judges having those identical cases.

And of course the same thing is true with examiners. This is pretty challenging when you have 8,600 human beings, because we're all fallible, we're all pressed by time and other circumstances. But if the process can be optimized, the level of consistency 1:47

has to go up. It'll never be perfect, but it has to go up, and with it goes of course credibility.

Now in terms of what can help the examiner: I think that the guidelines, old and new, are an enormous help to examiners, and it's a great thing that the Patent Office has done over the past 10 or 14 years or so in developing successive guidelines. And much to the credit of the PTO, the guidelines have been refined and iteratively upgraded, not only with changes in the law, but also just with better work being done by consistent thought to try to optimize the guidelines. So guidelines are one great source.

1:48 But very very shortly, the examining corps, these 8,600 individuals, will have hundreds of decisions by the Patent Trial and Appeal Board and these AIA reviews. They will provide fabulous guidance, and I think in much larger quantity and much earlier than you can expect to get from the Federal Circuit. So again, my notion of who's the best qualified or the least important—Supreme Court all the way down to patent examiners. If we compare the importance of the Patent Trial and Appeal Board, particularly in the AIA proceedings but also in ex parte appeals, with the importance of the Federal Circuit, I'd say that the PTAB is about a thousand times more important than the Federal Circuit going forward. So the examiner can look to these rapidly enlarging numbers of PTAB decisions, much more than the decisions of any
1:49 other body, for useful guidance. And I hope that will become the norm, that the feedback loop will go from new PTAB decisions right back into the examination process, next PTAB decision same thing, and we just keep that loop going as fast as we possibly can.

Now I'm aware in general, not in great detail, that various companies and industries have provided technological updating and support for the examining corps. And I think that's a wonderful project. I hope it continues and expands. I have to assume that it is an important assist to the examining corps.

But I want to suggest as well that there needs to be a parallel effort, which I guess means law firms and law professors would have to get involved, to help examiners better understand the law of claim construction. There's no way you can apply any of the six patentability tests without being clear in your mind what the claim scope
1:50 is. And there's no way you can get to claim scope without doing a certain amount of claim construction.

And I'll tell you: claim construction is not easy. It's not easy for people who do it all the time and were trained in law over decades of experience and schooling. So it can't be easy for often fairly young scientists and engineers who make up such a large part of the examining corps. So the law firms and other legal people need to help as much as the technological people, to better equip the examiners to have ready

access to all the principles and precedents dealing with claim construction, so they can rapidly do it on the run.

So these are the directions that I would emphasize and as a supplement for the points made by the others. And I very much look forward to working with all of you in this room and our remote audience in this endeavor, which is probably the single most important thing that will happen in this decade in this country. Because it's clear to me that the future of global competitiveness, prosperity, technological leadership, job creation is going to be driven more than anything else by a successful U.S. patent system. Thank you. 1:51

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