

# United States Senate

WASHINGTON, DC 20510

August 6, 2014

Hon. Penny Pritzker  
Secretary of Commerce  
U.S. Department of Commerce  
1401 Constitution Ave., NW  
Washington, DC 20230

Dear Secretary Pritzker:

We write regarding our patent system and how to ensure its effective operation and the issuance of high quality patents. The United States has a strong history of developing a patent system that protects innovators while encouraging continued innovation and technological advancement. However, there has been widespread coverage of abuses by patent assertion entities, commonly known as “patent trolls,” that assert poor quality patents and engage in abusive litigation.

From home builders to small businesses, far too many ordinary Americans that have little if anything to do with the innovation process have been negatively affected by abusive patent trolling. While it is important that our legal system uphold the rights of intellectual property owners to enforce those rights in court, abusive litigation raises questions about whether too many illegitimate patents are being issued, whether vague patents are being stretched to cover ideas never envisioned by the patent holder, and whether more can be done to protect our intellectual property regime from being misused. The need for high-quality patents is particularly important in complex technical areas, where a single product can embody thousands of patents and a single feature in a product can embody hundreds, and where the impact of such poorly-defined property rights substantially facilitates patent abuse.

We believe one of the best ways to address abusive legal actions that stem from overly broad assertions of low-quality patents is to ensure patents are high quality from the start. For that reason, the Appropriations Committee included language in the committee report to the 2013 appropriations law for the Commerce Department’s United States Patent and Trademark Office (USPTO) that called on the USPTO (1) to increase industry expertise among examiners to improve the quality of patent reviews and (2) to increase patent examiner training regarding 35 U.S.C. 112 (a) and (b) to reduce ambiguity about valid rejections of low-quality patents.<sup>[1]</sup>

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<sup>[1]</sup> Committee report to Commerce, Justice, Science and Related Agencies appropriations bill, which was passed as part of the Consolidated Appropriations Act (H.R.3547), available at <http://www.gpo.gov/fdsys/pkg/CRPT-113srpt78/pdf/CRPT-113srpt78.pdf>.

Over the past year, we have been pleased to see the USPTO, with support from the President, focusing on the need to improve patent quality.<sup>1</sup> It is critical that the USPTO do everything possible to use the administrative tools available to improve patent quality and the examination process. This is more important than ever in light of recent court decisions, which tighten patent quality standards.<sup>2</sup>

The USPTO possesses additional tools that could significantly reduce abusive patent trolling by preventing low-quality, vague patents from entering the market, and it needs to use them effectively. Accordingly, even as it continues implementing initiatives to improve patent quality and examiner training, we urge the USPTO to focus its resources on the following specific measures:

- 1) The USPTO should continually review and assess the operational examiner management system and performance metrics in place to ensure that they incentivize quality over quantity. Examiner evaluation should particularly ensure that it does not improperly incentivize the approval of low-quality patents.
- 2) Examiners should be clearly directed on how to ensure application records are fully built-out so that the resolution of any ambiguity in the initial examination process is documented. Application files should provide a clear history of clarified terms and original intent so that an approved patent cannot later be twisted to cover future inventions, and examiners should have clear guidance on the level of detail that should be provided as they document their communication with patent applicants during the examination process.
- 3) The USPTO has taken additional steps to address functional claiming concerns. The effectiveness of these measures should be assessed to determine whether they are sufficient to address concerns that functional claiming provides a loophole from definite, precise claims and that not all functional claims are held to the relevant standards.
- 4) As the USPTO continues to identify ways to improve patent quality and ensure claim clarity, it should expand the use of crowdsourcing and data analysis to identify types of patents and specific characteristics that are most likely to give rise to ambiguity and produce litigation risk and specifically target those areas for stronger measures.

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<sup>1</sup> In June 2013, the White House announced executive actions and legislative recommendations affecting high-tech patents including new training for examiners and efforts by the USPTO to improve claim clarity (Fact Sheet: White House Task Force on High-Tech Patent Issues, 04 June 2013, available at: <http://www.whitehouse.gov/the-press-office/2013/06/04/fact-sheet-white-house-task-force-high-tech-patent-issues>) and in February, USPTO announced that it would expand its Patent Examiner Technical Training to better incorporate related expertise into the approval process and implement a new initiative to better use crowdsourcing and third parties to identify prior art (Fact Sheet – Executive Actions: Answering the President’s Call to Strengthen Our Patent System and Foster Innovation, 20 February 2014, available at: <http://www.whitehouse.gov/the-press-office/2014/02/20/fact-sheet-executive-actions-answering-president-s-call-strengthen-our-p>).

<sup>2</sup> *Nautilus, Inc. v. Biosig Instruments, Inc.*, No. 13-369, 02 June, 2014, available at: [http://www.supremecourt.gov/opinions/13pdf/13-369\\_1idf.pdf](http://www.supremecourt.gov/opinions/13pdf/13-369_1idf.pdf) and *Alice Corporation Pty. Ltd. V. CLS Bank International et al.*, No. 13-298, 19 June, 2014, available at [http://www.supremecourt.gov/opinions/13pdf/13-298\\_7lh8.pdf](http://www.supremecourt.gov/opinions/13pdf/13-298_7lh8.pdf) and *In Re Thomas G. Packard*, No. 2013-1204, May 6, 2014, available at <http://www.cafc.uscourts.gov/images/stories/opinions-orders/13-1204.Opinion.5-2-2014.1.PDF>

- 5) Finally, the USPTO should ensure public access to information about patents and their histories, which is one of the agency's duties.<sup>3</sup> In particular, continuing to expand the information publicly searchable on the USPTO's website is important.

Again, we acknowledge the USPTO's continued efforts to implement programs to improve patent quality and train skilled examiners and encourage the USPTO to continue its dialogue with industry, universities, and small inventors through roundtables and outreach.

Thank you for your ongoing attention to this issue, and we look forward to your response.

Sincerely,

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<sup>3</sup> 35 U.S.C. § 2