

# Publications

## *Intellectual Property Alert: Notes from the USPTO and Patent Public Advisory Committee Quarterly Meeting Part 7 of 8: Pendency and Quality*

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The United States Patent and Trademark Office (the Office) and the Patent Public Advisory Committee (PPAC) recently held their Patent Public Advisory Committee Quarterly Meeting to review policies, goals, performance, budget, and user fees. Topics addressed included 1) Update on Patents business units; 2) **Finance/Budget**; 3) **IT update**; 4) Artificial Intelligence; 5) International update; 6) Pendency and Quality; and 7) **PTAB update**.

This is the seventh of eight (8) notes Vorys will be publishing to summarize topics discussed at the Quarterly Meeting. This note summarizes three topics discussed during the meeting: 1) Filing and pendency data (Q1 metrics); 2) Design patent image quality; and 3) the USPTO Quality Survey Winter 2020 results.

### Filing and Pendency Data (Q1 metrics)

PPAC Quality and Pendency Subcommittee Chair, Steve Caltrider, stated that the PPAC and the Office were on track to meet the pendency goal for the year. Deputy Commissioner for Patent Operations, Andrew Faile, then provided an update on the optimization of patent application pendency and measures taken in order to reach the Office's strategic goals.

The Office has been putting an emphasis on Patent Term Adjustment (PTA), and set a PTA compliance goal of about 90% to be reached by 2025. Currently, the overall PTA compliance of mailed actions is about 83% and the overall PTA compliance of the remaining inventory is about 87%.

In terms of filing growth rate, the Office is observing steady growth, stating that it has maintained and improved examination quality and pendency. Average pendency to first action is 15.9 months and 23.5 months for total pendency. In the meantime, the Office is observing a trend line in the RCEs coming down (5-6%).

Regarding the top filing countries in FY2020 Q2, the filings growth were reported to be mainly from foreign countries, particularly from China (22.3% growth) and Korea (22% growth). With respect to Q2 serialized filings by entity status, most growth appeared to have come from large entities.

## Continuation Filings are on the Rise

Continuations applications have been rapidly increasing, basically tripling in a decade, and now account for nearly a quarter of all serialized filings. Of the filed continuations, 70% have a patented parent and 26% of issued patents spawn a continuation.

PPAC Finance Subcommittee Chair, Dan Lang, expressed concern regarding the rapid increase in continuation filings over the last decade. He believes continuation patent claims may begin to drift away from the original invention, and that it may require significant effort to ensure that claims in a continuation patent actually reflect an invention in the application as originally filed.

Further, Lang stated that the increase of continuation filings was a reflection of applicants looking for avenues other than RCEs, which represents a setback to the progress made by PPAC and the Office toward more compact prosecution with cases disposed of within a couple of office actions, perhaps enduring an appeal rather than applicants and the Office continuing to battle over claim scope and continuations instead of RCEs.

Commissioner for Patents, Drew Hirshfeld, agreed that the Office would need to closely look at the interplay between RCEs and continuations, especially after being aware that applicants may have employed a strategy to take the allowable subject matter and continue to file continuations in order to keep the cases going and to try to seek even broader claims.

## Design Patent Image Quality

Quality improvements for design patent images was directly correlated to public feedback. The global IP-wide standard of image publication [ST. 33](#) is the target format for publications and all incoming drawings and images now need to be converted to this output. These standards require raster-based images in a .tiff format produced at 300 dots per inch (dpi). Certain .pdf drawing characteristics have shown to have conversion issues resulting in a degradation of the image during the publication process.

Thus, the Office plans to work with its publication contractor to identify attributes of .pdf drawings that cause degradation during conversion, and establish a communication plan to reduce receipt of .pdf drawings with those attributes. Also, the Office will continue to explore drawing quality from receipt to publication with the thought of modifying ST .33 to make it easier for applicants to submit high quality images where the quality is maintained through prosecution, publication, and dissemination.

## External Quality Survey

The External Quality Survey provides a snapshot of customer perceptions about Office actions received, and was designed to focus on quality and minimize respondent burden.

One of the challenges of the Survey has been to align perceptions among all system users. A Master Review Form (MRF) and internal quality review program have been implemented to help meet that challenge, thus by gathering information on what drives correctness, clarity, consistency while understanding system inputs and outcomes. The Office has started to see some positive trends and some sustained improvement with 58% of customers rating that the overall examination quality perception was good or excellent, and only 5% rated it poor or very poor.