

US Patent update – Changes to system to make obtaining patents faster, more certain

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Protecting an invention in the USA can be difficult and expensive. In the past the US Patent and Trade Mark Office has been accused of being slow moving and frustrating to deal with. Making matters worse is the US patent legislation, which takes an idiosyncratic approach to ownership of an invention. Recent proposed changes look to address some of these criticisms, and may make protecting innovation in the USA less problematic.

Last year saw former IBM Vice President David Kappos sworn in as Director of the US Patent and Trademark Office (USPTO).

Things were always going to be different under Director Kappos. Before his swearing in, some feared that his appointment could lead to a weakening of the US patent system through legal reforms which made it easier to challenge the validity of granted patents, and reduced damages payable to successful patent litigants. These changes are still in the wind, but other reforms have been proposed which have been more favourably received.

One of the new director's first initiatives is aimed at reducing the time taken for patent applications to be examined and granted. In the US, as with most other countries, the

backlog of unexamined patent applications has been steadily rising, and along with it the delay between the filing of a patent application and its eventual grant. According to a recent USPTO report, the average time to grant is around 34 months, with patents in some areas of technology taking significantly longer.

Many commentators believe that one of the reasons for this backlog is the 'PTO's internal performance measurement system, which encourages patent examiners to repeatedly reject patent applications, forcing applicants to either refile their applications or go through an expensive "Request for Continued Examination" procedure. Director Kappos seems to agree, as a proposal has been put forward to change the system to place more emphasis on the first examination report addressing all the relevant issues, and reducing the incentive for examiners to reexamine the same application over and over. Examiners are now encouraged to engage with patent applicants by telephone at an early stage in order to discuss what aspects of the application might be patentable. The 'PTO is hopeful that this new system will dramatically reduce pendency times, and has set a target of 20 months from application to grant. If achieved, this would make the US one of the faster countries in the world in which a patent can be obtained.

Another idea being floated is a move from the current "first to invent" system, to a "first inventor to file" system. At present the US is unique in that an ownership dispute between two inventors who have independently developed the same invention is determined on the basis of which inventor "reduced to practice" first, in essence, the one who first considered the invention in sufficient detail to make a working example. Almost all other countries decide such a conflict in favour of the party which was the

first to file a patent application.

While the “first to invent” system appeals, at least at on a superficial level, as being the fairest, its effect in practice is to add another level of uncertainty to the patent process.

Independent inventor groups in the US have been up in arms about the proposed changes. In the view of many small entities, the current system works to the benefit of those who cannot afford to file patent applications for every new aspect of their development. However, the truth is that the “interference” proceedings which are held to decide inventorship disputes can be prohibitively expensive for individuals, and can be just as easily used by large corporations to deny the “little guy” the right to their patent as they can be used by the true first inventor to assert their rights.

In practice the vast majority of such disputes are decided in favour of the side which was first to file a patent application anyway.

A change to a “first inventor to file” system would harmonise US patent law with the rest of the world, and would mean one less potential headache for innovators wishing to enter the US market.

In recent times many patent applicants have found the US patent system to be slow, expensive and frustrating. With luck, things may be about to get a little easier.