Guidance as a cultural tool at the USPTO

New guidelines on patentable subject matter have been welcomed by many, but arguably their biggest impact comes from the message that they send to patent examiners

By Bob Stoll

On 7 January 2019 Director Andrei Iancu, head of the USPTO, issued comprehensive guidelines for handling patent subject matter eligibility issues under Title 35 of the US Code Section 101. The guidelines applied to all applications pending at the USPTO and all examiners and PTAB judges. They had an immediate impact on the internal processing of Section 101 applications as the number of rejections by examiners fell sharply. The user community widely praised the new guidelines, which were seen as providing more context for the Section 101 tests handed down by the Supreme Court.

The court's two-step *Alice/Mayo* analysis had set forth an inquiry. First, as to whether claims were directed to one of the court-created patent ineligible concepts of an "abstract idea, law of nature or a natural phenomena" and, if so, whether the claims added "significantly more" than the ineligible concept.

The new USPTO guidance split the first prong of the court's analysis into two tests. The first is whether the claim is drawn to one of the ineligible concepts. If so, the second prong is whether the ineligible concept is integrated into a practical application.

Iancu's characterisation of the guidance itself is that it is a synthesis of the case law and does not go beyond the limited holdings of the Supreme Court decisions. He also contended that the new guidance establishes a meaningful division between Section 101 and the other sections of the patent statutes. In fact, Iancu is required to follow statute and Supreme Court decisions. The rules and guidance that he issues must fill in the blank spaces that are left by the other branches of the government and be consistent with their actions. But the courts have already acted in a contrary manner and – by the director's own admissions – they are not bound by his guidance.

So what is really happening here?

The guidance is further evidence that Iancu wants the examiners to narrowly employ Section 101 as a tool to reject claims. His speeches about the subject, his determination that Section 101 is one of the biggest patent issues of our time and his conviction that the previous handling of the issues is costing job creation and economic growth in the United States are all messages to the examiners (and the public) that he wants to do what he can to change the rubric – even if the courts do not follow the USPTO guidance in the short term.

The subject matter guidance is much more important than the specific tests that it teaches. It is yet another tool to shape the culture of the office. It is a clear example from the top of the organisation that they want the examining corps to work with the applicants to help find allowable subject matter in an application.

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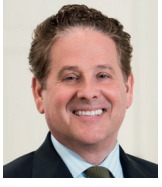

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Guidance that encourages examiners to interview frequently and provides them with the training to do it properly not only improves the interview process for both the applicant and the examiner, but also is an example of how leadership guides interactions with applicants and confirms the culture of assistance that is cultivated by the top echelons of the organisation. Examiners are instructed to engage with applicants and to try to find allowable subject matter in an application. This approach elicits goodwill from applicants and helps to establish relationships that benefit both sides.

More needs to be done to set the stage for a truly collaborative atmosphere. Examiners should feel supported by their managers. Engagement up and down the chain of command is critical. Frequent all-hands video conferences, small group brown-bag lunches and blogs directed to examiner concerns all help to create a collaborative atmosphere. Communication is key. All of the parties must feel that they are being heard. The perennial fight to get employees their full bonuses is one way to assure that they know that their leadership cares.

We have a recent example of a regime that created a culture that benefited everyone. Former agency head David Kappos is widely regarded as one of the most successful directors of the USPTO in modern times. Creating a collaborative culture was his greatest achievement. Beginning in 2009, the USPTO started rising as a great place to work in the US federal government – as ranked by the non-profit organisation Partnership for Public Service. In December 2013, after surveying 700,000 civil servants in 371 federal agencies and sub-agencies, it awarded the top spot to the USPTO.

Some of the lessons learned there merit repeating.

Key takeaways

It is important to use a mistake as a 'teaching moment', instead of penalising examiners for errors. Using examples of best practices to teach larger groups ensures that problems in quality do not become widespread. This does not mean that examiners who are unwilling or unable to follow guidelines should face no repercussions. Lone wolf examiners can cause low morale and negatively affect the overwhelming number of dedicated examiners.

Simply, in most instances, it is better to forgive honest mistakes and learn from them, individually and institutionally.

Respect is another component of the culture war. Examiners are not paid what many practitioners earn, but they dedicate their careers to serving the public. It is critical that the USPTO leadership and user community value their contribution to the patent system and their collaboration with applicants who are protecting their clients' interests to the best of their abilities. A little empathy from all of us would really help to make a better system. Respect for the various participants in this universe ups the game for us all. IAM