Managing IP

Patents

EPO v USPTO: In-house reveal patent quality concerns

Rani Mehta July 26, 2024

European and US counsel reveal why they are (or aren't) concerned about patent quality and explain how external counsel can help

Patent offices are under a lot of pressure when it comes to weighing the various needs of stakeholders.

On one hand, applicants want IP offices to prosecute their applications efficiently, so they aren't bogged down by backlogs and long wait times.

But they also need high-quality patents.

Managing IP reached out to in-house counsel from Europe and the US to see whether they believe that the EPO and the USPTO are meeting the bar when it comes to patent quality.

EPO concerns

Patent quality continues to be a concern at the EPO for at least some lawyers.

A group of in-house counsel formed the Industry Patent Quality Charter (IPQC) in 2022 in the hope of improving patent quality.

Jörg Thomaier, head of intellectual property at Bayer in Germany and an IPQC member, says the EPO is starting to react to concerns, but notes that improving patent quality can't happen overnight.

"I'm not saying there's trash coming out of the EPO. It's still relatively good and one of the better offices in the world. But there are some flaws and there is less quality than there was in the past. They should become the best again."

Beat Weibel, another IPQC member and chief IP counsel at Siemens in Germany, adds that although there have been some good conversations, patent quality remains a concern.

"There is good progress, but do we see it in our patent applications, searches and examinations? I, unfortunately, still have some doubts."

Weibel notes, for example, that EPO examiners are under productivity pressure, meaning searches aren't always as robust as they could be.

"Examiners should get enough time to do a complete search of all features of all embodiments that are in a patent application. All embodiments are the invention, and that's what we are entitled to."

Weibel adds that examiners will sometimes raise one objection at a time to applications.

"From an applicant's point of view, it's much better if you get all the objections from the

beginning and can take them all into account and give a comprehensive and complete answer to an office action – and then get stronger patents."

Creating challenges

When patent quality isn't up to scratch, it can make life more challenging for in-house counsel.

Thomaier at Bayer says that businesses have to waste a lot of money on unnecessary litigation.

He notes that companies such as his must examine third-party patents to figure out whether they're valid and can only proceed with their own products and applications if they conclude that those patents aren't valid.

"And we then have to fight it [the third-party patent]. Even if it's early enough and we file an opposition, we waste resources and money cleaning up the patent space where there shouldn't have been a problem if it was examined correctly," he says.

Sources believe law firms can play a role in helping to improve quality.

Weibel at Siemens notes that most law firms are already doing this, but that firms must take their role seriously by making sure clients get valid and enforceable patents, rather than simply trying to get them as many patents as possible.

"Then we are completely aligned because then we have the same interests," he says.

Thomaier notes, however, that some clients will push law firms to get them a quick grant.

He adds that law firms could take a stand by demanding better quality patents at the EPO.

"But law firms live from those fights. The litigation created by having weak patents gives business and money to the law firms," he notes.

USPTO debate

While there may be some concerns in Europe, there was less concern in the US.

Gaurav Asthana, director of IP at Atlassian in San Francisco, says patent quality can vary over time.

He says US Supreme Court cases such as *KSR v Teleflex* in 2007 (which focused on

obviousness) and *Alice v CLS Bank* in 2014 (which concerned subject matter eligibility) have made it harder to get patents, which has had the knock-on effect of increasing their quality.

He, notes, however, that companies can still face lawsuits from applicants who were granted patents before those decisions.

"The only time you get to measure patent quality is when it's being litigated," he says. "But overall, I think patent quality is pretty decent right now."

Some lawyers do have concerns, however.

A senior counsel at a generics pharma company in the US says there are too many low-quality patents being granted.

"There's an incentive for patentees to get as many patents as they possibly can," he says.

Mark Vallone, chief patent counsel at IBM in New York, says there is a view that the Court of Appeals for the Federal Circuit spends quite a lot of time adjudicating validity before getting to the merits of infringement claims.

"So, there are views that we can improve patent quality," he adds.

This can make in-house lawyers' lives difficult.

Vallone says that it can be challenging to fend off infringement claims against a patent of questionable quality.

"It's much more difficult to figure out what the patent means and what your defences are," he says.

The senior counsel at the generics company says he's seen more examples of patent thickets.

"Those are just increasing costs and then we're having to challenge those patents in post-grant proceedings and litigation," he says.

Problem solving

Sources note that there are a few things that the USPTO could be doing.

Vallone at IBM notes that the patent office already does a good job of approaching stakeholders to ask them to provide technical training to examiners.

"The USPTO has reached out to us and we help out where we can. I'd love to see more of that. It's really helpful to applicants and to examiners."

Vallone adds that it would also be helpful for the USPTO to make sure it's continuously improving its tools to help identify the best prior art, especially regarding non-patent literature.

"Most of the time, USPTO rejections are based on US patents and published US patent applications. We could have even stronger patents if examiners and applicants do an even better job of finding prior art in non-patent literature."

Non-patent literature, which can be cited against patent applications, includes scientific publications, conference presentations, books, and other technical scientific materials.

That said, enacting change isn't all down to IP offices.

Vallone says applicants should make sure they're getting sufficient details of the invention from inventors.

"It helps direct prior art searching to the features believed to be patentable and it helps build more robust applications," he notes.

He adds that examiner interviews are important for both applicants and examiners.

"They are great for facilitating compact prosecution and building rapport with the examiner. I would encourage outside counsel to request examiner interviews as much as possible."

However, the senior counsel at the generics company says he's not sure how much capacity the USPTO has to fix the problem.

"That patent office doesn't have enough people, time, or resources to adequately look at each one in the manner you need to have a high-quality patent system. I don't know what the patent office can do to fix this on their own. I think they need help from Congress."

Patent offices will never strike a balance that pleases everyone but there are voices on both sides of the Atlantic calling for increased quality.

Law firms won't be able to fix these problems by themselves, but if they can help clients get high-quality patents, rather than focusing on the quantity, they might go some way towards helping.

Topics

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