



Submitted to the U.S. Senate Judiciary Subcommittee on Intellectual Property for the June 22, 2021 Hearing “Protecting Real Innovations by Improving Patent Quality”:

The US Manufacturers Association for Development and Enterprise (US*MADE) is grateful for the opportunity to submit for the record these comments on improving patent quality. Our members are also grateful to Chairman Leahy and Ranking Member Tillis for holding today’s Judiciary IP Subcommittee Hearing on Protecting Real Innovations by Improving Patent Quality.

[US*MADE](#) is an American manufacturing coalition made up of a diverse group of companies and trade groups of varying sizes and industry sectors. [Our members](#) include a North Carolina father and son fishing tackle manufacturer at one end of the spectrum and an American semiconductor maker with manufacturing operations in over a dozen states at the other.

Manufacturers have reaped tremendous benefits from our patent system and value the patent system’s critical role in fueling innovation in the U.S. Most US*MADE members are patent holders and some are the leading patent holders in their industry sectors.

They have also experienced what can happen on those occasions when the U.S. Patent and Trademark Office (USPTO) issues a “bad patent.” A patent may be bad for any number of reasons. It might be overly broad; it might cover an area already covered by one or more other patents; it might be obvious or not truly represent a new or novel invention, and so on.

What our members have experienced in those instances has been a non-practicing entity (NPE) wielding these bad patents, using them to filing litigation or threatening to do so. In many instances, the royalty demands sought by the NPE – while outrageous given the low quality of the patent – are just low enough to make it more economical to pay the NPE off than to mount a winning defense. In addition, there is always risk that a jury with no expertise in the manufacturing or other technology at issue makes a mistake regarding the often highly complex issues of infringement or patent validity, providing the NPE the chance of an unjustified windfall at the expense of the manufacturer’s business. These perverse incentives cause many American manufacturing companies to simply pay to license what are often worthless patents, sometimes for IP that is not even associated with the products they produce.

The USPTO does an excellent job. But, with over 600,000 new patent applications being filed and 300,000 new patents being issued annually, it is inevitable some number of bad patents may be granted.

US*MADE believes there are things that can be done to improve patent quality before patents are granted. Like many stakeholders in the patent system, we believe more resources should be invested in the process at the front end. Beyond perhaps the obvious (more examiners, better training for them), we would hope some of those resources would be put toward access to better prior art sources. More often than not it seems that outside sources are the ones bringing the best, most up-to-date prior art to the USPTO. We also believe a system in which applications each have a 'second set of eyes' on them from another examiner at certain milestone points in the prosecution could add substantial quality benefits.

We also strongly believe that making changes under 35 U.S.C. §112 could have a substantial impact on improving pre-issuance patent quality. 35 U.S.C. §112(a) states:

“The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms...” (emphasis added)

A common characteristic we see in bad patents is that the terms used in the patent's claims often do not also appear in the same patent's specification. This seems to run counter to the intention (if not the requirement) stated in 35 U.S.C. §112(a). Under the law as written, the specification is essential to determining what the patent is actually claiming. If the same words are not used in both the specification and the claim, this is more difficult to do.

Sometimes applicants or counsel for applicants may use different words in the specification and the claim for the purpose of introducing ambiguity to later argue in litigation that the claims are broad enough to cover post-invention improvements by others. If the same words were required to be used in both the specification and the claim, this sort of gaming of the system would be reduced.

Indeed, the recent Federal Circuit decision in *Hyatt v. Hirshfeld*, No. 18-2390 (Fed. Cir. 2021) perhaps best exemplifies how the USPTO can be mired with extra work because of abusive prosecution tactics, describing that 532 years would be required to ascertain priority dates and examine claims in about 400 applications. Although limiting patent terms to 20 years from the priority date has helped, applicants today can still engage in many of the abusive practices described in that case. Additional protective measures are still needed.

Currently, in the reissue or reexamination process, patent owners are required to identify where the support for the claim they are seeking to amend can be specifically found in the specification. Holding patent applicants to the same standard, pre-issuance, that they are held to post-grant would go a long way toward improving patent quality.

Such a change would be a benefit to patent examiners, who are seeking greater clarity and quality in the patents they grant; the public, who would benefit from more sound patents being issued; the courts, who would not have to wade through the confusion associated with intentionally vague patents; and entities like US*MADE's manufacturer members would be in a better position to evaluate a patent for potential licensing or litigation.

Similarly, in 35 U.S.C. §112(f) we often see patents in which the means for performing a specified function simply does not include the corresponding structure described in the specification. This certainly seems to run counter to the law as intended in this section and in 35 U.S.C. §112(b), which requires claims particularly point out and distinctly define the meets and bounds of the subject matter to be protected by the patent grant. Put simply, in any means + function claim, the means must include the corresponding structure described in the specification and do so using the same words and terms throughout.

Testimony of US Manufacturers for Enterprise and Development ([US*MADE](#))

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