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Opinion: Patent office is a disaster that holds back economic growth

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Washington is pumping billions of dollars into private industry to stimulate the economy. But Congress and the Obama administration could look right in their backyard for a surefire way to prime the economic pump: Fix the U.S. Patent and Trade Office.

The patent office is broken. It is underfunded, overburdened and faces huge hurdles in hiring and retention.

By awarding and denying patents, the patent office is an essential cog in generating wealth and jobs, especially in technology-rich Silicon Valley. The United States, led by Silicon Valley, is the world leader in innovation. We are the largest exporter of intellectual property, with an IP trade surplus that is nearly eight times our nearest competitor. While that is a national resource, it also is a burden on the patent office.

Last year alone, nearly 500,000 patent applications were filed with the patent office, adding to a backlog that just keeps growing. Yet, as Congress debates patent reform legislation — its third consecutive effort to pass legislation that would actually weaken the patent system — very little of that discussion is focused on the patent office. Improving it would be the simplest, most effective and most measurable

step toward strengthening our patent system. It also would address many of the concerns raised by patent reform advocates.

Our patent system needs to improve in two key areas: the overall quality of patents and the speed with which patents are examined.

Here's how we do it:

Better funding. The patent office has a budget of approximately \$1.9 billion, all of it obtained through fees from applicants. The office needs more money to hire more examiners, among other things. Congress needs to stop diverting fees from the office and fully fund it.

A market-driven model. It currently takes an average of 32 months, nearly three years, from the filing of a patent to issuance or abandonment. The office needs to adopt a market-based fee structure that takes into account the increasing complexity of many applications, as well as offering faster rulings in return for higher fees.

Better technology. The office has antiquated technology, which is embarrassing, given its mission. New information technology equipment and software will lead to greater speed and efficiency.

Improved patent applications. Applications run the gamut, from trivial and sparse to dense and complicated. The patent office can weed out frivolous and purposefully obtuse patents by revising information rules and being more proactive in interviewing applicants.

Attracting and retaining a high-quality work force. Today, nearly all patent examiners work at or near the office's facilities in Alexandria, Va. That severely limits its ability to attract talent. The office

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needs to broaden its footprint to attract a more geographically dispersed and diverse work force — for instance, by establishing virtual regional offices. It also should work closely with universities to train students to become patent examiners, and it should be empowered to forgive educational loans in exchange for five years or more of service.

The jury is still out on whether pouring hundreds of billions of dollars into the nation's financial institutions will restore our economy. But it is abundantly clear that fixing the patent office will help stimulate even more of our nation's most valuable economic resource: innovation.

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