



# Peer pressure?

**Ilya Kazi and Sean Leach** of Mathys & Squire examine the UK's peer to patent project

**After two years at the United States Patent and Trademark Office (USPTO) and a year at IP Australia, the peer to patent project is now being implemented by the UK Intellectual Property Office (IPO).**

Peer to patent uses social networking technology to apply peer review to the process of patent searches and examination.

At least in part, the project is motivated by a perception that patent offices are not properly equipped to examine software-related patent applications and that, as a result, patents in this area are too often granted for old or obvious technologies. Undoubtedly, some patents are granted that should not be, no system is infallible, but software patent sceptics cite examples of what they consider to be "bad patents" to argue that the system as a whole is broken and that no patents whatsoever should be granted for software inventions.

To their credit, the organisers of the peer to patent project make no comment on this fraught debate. They aim simply to augment the process of patent search and examination with public know-how. This approach is in our view the proper one: treating applications on their merit in terms of novelty and inventive step. The benefits of this approach are clear. The strength of any patent right depends crucially on the rigour of the examination process and this in turn, depends on the quality of the search.

In some fields of technology, particularly software, patent offices such as the IPO and the European Patent Office (EPO) may refuse to search applications altogether. Traditionally, there has been some difficulty searching for prior art relevant to software inventions. The nature of software technologies means that relevant publications may be found in academic publications, buried deep within technical specifications of the standards organisations or, in the worst case, the prior art may only exist as computer codes. It is this perceived gap that the peer to patent project seems most able to fill.

The project provides an internet forum in which applications are published so that groups of volunteer researchers, so called "citizen experts" can cite prior art and comment on the relevance of the citation to the claims. The volunteers

can also suggest avenues of research that others (or the patent office examiner) might wish to follow. After a fixed period of time, the comments are compiled into a report and the 10 most relevant pieces of prior art are forwarded to the examiner with this report.

Third party observations in the UK are nothing new and applicants should have no cause for concern. If relevant prior art exists it is in the interests of the applicant to deal with it early. Prior art which has formed part of the prosecution is much less likely to seem like a killer blow if relied upon by a third party post grant. In procedural terms there is greater freedom to amend before grant and post grant, a third party involved in the proceedings can (and likely will) resist any attempt to amend, in order to restore validity to a patent which has not been properly served by the examination process.

Looking at things more positively, thorough examination reduces the scope for doubt as to validity and so strengthens the hand of a patentee in the event of any infringement. From the other side of the fence, potential infringers can see a clearer line between what they are free to do and what the patent might prevent them from doing. Removing doubt as to validity, and conversely trimming unwarranted excessive scope, is thus a good thing from both sides.

The reports from the US and Australian pilot projects are something of a mixed bag but these pilots seem on balance to have achieved a qualified success. Recently, the IPO has begun its participation and 174 UK cases have been selected for participation. So, what should UK applicants expect?

The demographic summaries of the pilot studies indicate that volunteers generally have relevant technical expertise and have on average 14 years of professional experience. In both the US and Australian projects, the majority of registered reviewers held college degrees in engineering or computer science. IBM staff made up a substantial cohort of expert reviewers in the US pilot. The degree to which this level of corporate buy in can be maintained remains to be seen, but it has helped the project so far to succeed.

The statistics from the US and Australian pilots show a very high level of participation, although some volunteers are very much more

active than others. The US project involved some 365 active reviewers and the inevitably smaller Australian project attracted 40. Given the level of expertise in this group (albeit self reported), these volunteers represent a very substantial resource; the description of them as "citizen experts" actually isn't too far wide off the mark.

In the main, the contribution made by these reviewers has been well received by patent examiners and the statistics indicate that they have provided meaningful assistance to the examination process. Notably, roughly half of the volunteered citations were non-patent literature and a substantial percentage of US examiners indicated that the prior art submitted by the peer to patent community was inaccessible to the USPTO. This is precisely

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the outcome that the project had aimed for, providing examiners with the resources they need to conduct thorough examination.

However, the picture is not entirely rosy. Australian examiners noted that frequently, the comments explaining the relevance of prior art were inadequate or entirely absent and that some of the citations and accompanying comments simply weren't relevant. Examiners reported that in this context, the input from the peer to patent project hindered rather than helped examination, presumably because they had to spend time studying irrelevant references that they would not otherwise have selected for review. This less positive outcome may be related to the substantially smaller size of the peer community in Australia, but must also be a reflection of the fact that patent examination is careful and detailed work which requires dedication and professional expertise. If there were ever any doubt, patent examiners can sleep easy in their beds, they will not be out of a job any time soon.

One statistic necessarily absent from the project report is the proportion of the patents reviewed by the project which eventually went through to grant. A brief (and wholly unscientific) random sample of 21 applications from the first USPTO pilot, shows that of these applications, all of which were published in 2007, 13 are now granted, five have been abandoned and three remain pending. This is not a startling deviation from statistical norms, but it is a comforting indication for applicants participating in the project. The outcomes show that the peer to patent project is not going to kill your application. If your application would have survived examination anyway it probably still will and, for reasons we have already explained, it may well be stronger as a result of the peer to patent project. On the other hand, it seems that the project has found no "smoking gun" of hidden prior art; despite the involvement of highly qualified and professional community of volunteers, it seems that applications are still being found to be novel and inventive.

If it continues to be managed properly and if it can continue to attract high quality, well qualified volunteers, then the peer to patent project provides examiners with some welcome assistance. The contention of some patent sceptics that the system is awash with "bad patents" has not been borne out by the statistics.

It will always be possible to point out invalid patents, but a problem which is highlighted less often is that examiners refuse patents where they should not. Costs in prosecution can mount quickly and, lacking

the resources for protracted battles with intransigent examiners, small businesses may simply abandon projects rather than fight their case. In this way unjustified refusals add a burden which affects small and medium enterprises (SMEs) disproportionately. If we are to build the knowledge economy in the UK then this must be addressed.

To summarise, if the peer to patent programme enhances the quality of patent examination, and the general indications are that it helps, it is very much to be welcomed. In particular, a more balanced and objective approach to examination of IT and software-related innovation (where the IPO is generally perceived to occupy an extreme "anti" position) will benefit business.

There is a sense among both applicants and practitioners that in day-to-day practice, examiners may try to fill perceived gaps in their knowledge of the prior art in the IT field by applying harsher, and more subjective, standards to routine examination of obviousness. Put another way, there are sometimes perceptions that an application faced an unduly hostile reaction because the examiner suspected the technology was known or obvious but did not have the art to hand to prove it. It may even be that such suspicions are well-founded. However, the IT industry is a major part of the economy and the denial of patent protection or even an increased cost of obtaining protection in this area due to something other than an objective fact, is not an optimal state of affairs. Predictability and commercial reality are important. *Symbian Ltd v Comptroller General of Patents* [2008] EWCA Civ 1066 was a well-publicised success in the Court of Appeal of England and Wales. The UK Court of Appeal upheld the High Court's decision that IPO was wrong to exclude Symbian's patent application from patentability. Whereas Symbian could afford to go to the Court of Appeal to shake off persistent, as it turned out unfounded, objections from the IPO – not many SMEs are in that position.

As with other areas of technology, the IT industry is liable to benefit from smaller innovative companies regularly entering the market and growing on the back of their innovation; industries where established players cling onto the territory by sheer weight of numbers tend to go the same way as the dinosaurs. New entrants are frequently dependent on being able to protect their technology, not least to secure funding based on IP protection (an investor backing a newcomer rather than an established player with infrastructure needs something to level the field).

A robust system which rigorously examines innovations in this field, but fairly protects those that pass the same objective novelty and inventive step criteria as in other fields, and a system which gives greater predictability whether to applicants or those affected by an existing patent, will help the growth of the knowledge economy. Let us hope the peer to patent system is embraced by the industry and this gives examiners greater confidence to make robust objections when the art before them supports them, and not otherwise.

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