Malpractice & IP: Are Things Getting Worse?
Patent Challenges in Prosecution

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Law Firm Understanding

- Change
  - AIA & The Supremes & The Executive Branch
- Six Sigma
  - Process
  - Docketing
  - Software & Keeping with the Times
- Education
- Professionalism
- Conclusion
Changing Times & Changing Law
Change - Date Insanity

2 sets of statutes next 20 yrs

6/8/95 URAA
11/29/99 AIPA
5/29/00

- Claim of benefit – 1.78
- Publication after 18 mos.
- Inter partes reexamination
- RCE v. CPA practice

12/10/04

- PTA 154(b)

5/29/00

9/16/2011

- Final rules for interferences and appeals (9/10/04)

9/26/2011

- Prioritized Exam

9/16/2012

- Prometheus 3/21/2012

- FITF
- Derivation
- Loss of interference
- Repeal of statutory invention registration
- PGR

3/16/2013

- Oath & Dec
- Preissuance submission
- Supplemental exam
- IPR
- PGR for business methods (CBM)

6/13/13

Myriad

17 years from grant to 20 years from filing
CONS/DIVS/CIPS

CREATE Act 103(c)

Best mode
- Virtual & false marking
- OED Stat. of limitations
- Micro entity status
- PTE
Supreme Court Decisions by Decade

- 1900-1919: 13
- 1920-1949: 6 (including Funk Brothers)
- 1950-1969: 11 (Graver, Graham)
- 1970-1979: 8 (Gottschalk, Wertheim, Flook)
- 1980-1989: 5 (Chakrabarty, Diehr)
- 1990-1999: 8 (Markman, Warner-Jenkinson)
- 2000-2004: 7 (Festo)
- 2005-2009: 17 (Lizard Tech, Ariad, KSR, Bilski)
- 2010-2014: 7 (Mayo, Myriad, Alice)

Doesn’t include remands etc., e.g., Classen or Lab Corp.
AIA & The Supremes

- 2 sets of statutes – 1 was enough
- Supreme Court “making law”
  - KSR, Bilski, Ariad, Myriad, Prometheus
- USPTO “making law”
  - New ethics rules
  - New 101 Guidelines – makes Myriad & Prometheus look pleasant
Statistics

- Last 25 years, IP has gone from geek status to **HOT** with Congress, The White House and The Supremes

- Malpractice trends – see E. Coe article
  - 382 claims reported 1996-1999
  - 528 claims reported 2000-2003
  - 685 claims reported 2004-2007
  - ~16% going to the court to decide

- Big firm names and multimillion dollar claims
Law Firm State

- Increasing billable hours – the 1990’s shift
- Decreasing education / mentoring hours
- No metrics – metrics are law firm oriented not client oriented
  \[(\text{Billing Rate}) \times (\text{Hours Billed}) \neq \text{Qualitative Metric}\]
  - Quality Control - Silos and generally lack of enforcement for uniform procedures
- Moving Lawyers - tracking
- Industry mergers and breakups – tracking
- Gaping Gaps – Prosecutor to Litigator to Judge
  - Copying / plagiarism – accepted patent drafting practice – Judge: “dubious at best, and at worst, an insult to the professional standards of the patent bar.”
Six Sigma: Process, Docketing, Software & Keeping Up With The Times
Six Sigma for Service **NOW**

- **WHO?** - DuPont, GE, and many corporations
- **WHAT?**
  - Standardization - Forms, procedures for handling papers given new laws
  - Consistency for applications, opinions, litigation, education, licensing
  - Docketing – missed dates
  - Partners coming & going
- **HOW?**
  - Analytics – quantitative and qualitative metrics are coming and getting better
    - LexMachina, LexisOptimizer, PatentAdvisor, IPDAS
Paper Process

- Records to Docketing to Attorney
  - paper flow & docket clearing

- Inbound & Outbound Partners
  - New docketing systems & data transfer

- Paper to Paperless
  - Clients are going paperless….
  - Ownership of paper and electronic files
  - What are your procedures?
WHY? - 2 Cases

- In re Druce (2014)
  - Missed dates
  - Back dating a series of documents over 2-3 years
  - Blaming the paralegal
  - Where were the procedures? Why didn’t docketing, billing, an admin, or the lawyer detect it?

- In re Kelber
  - Hiring systems – warning letters from OED & OED process
Education, Silos, Culture & Professionalism

Changing Your Focus – The Why
Education, Silos & Culture

- New attorney education
  - 1970’s, 1990’s, Today
  - The reality
  - Mentoring – a dying art
  - Paralegal / Support education

- Integration into system – silo issues
  - My way is better
  - Our malpractice is still cheaper than doctors’

- Risk Management & Law Firm Culture
  - Reporting / Depression / Substance Abuse / Life style
  - 360 Reviews of ALL professionals – Silo minimization
Professionalism

- 2 Buckets
  - The embarrass your grandparents / common sense rule
- *In re Caracappa, D2014-02 (2014)* – one bucket
- *In re Tassen* – both buckets
Conclusions

- Reaping the “reward” of the 1990’s legal shift
- We need better qualitative metrics that reflect value to the clients
  - Social media connections, conflict checks / month, dollar tracking annually / client over time, Roadshow number, paper number, client turnover,
  - Promoting roadshows which educate your own lawyers while educating others
References for Your Educational Entertainment

- In re Caracappa, D2014-02 (2014)
- In re Druce, D2014-13 (Sept. 5, 2015)
- Erin Coe, “Firms Face Rise in High Stakes IP Malpractice Suits, Law360 (March 2, 2012)
- In re Kelber, D2006-13
- Supreme Court List: http://en.wikipedia.org/wiki/List_of_United_States_patent_law_cases