

Business

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Opinion

DAVID L. FEIGENBAUM

Public Forum

Patently unnecessary politics

In the world of technology, patents matter. Technology ventures depend on strong patent positions to build markets and attract capital. So, when plans by the Patent and Trademark Office to improve its performance are threatened by federal budget games, these companies ought to be incensed.

The office was a big loser in the annual tussle between Congress and the president over the federal budget. As Congress ended the year, it siphoned more than \$100 million away from the patent office's revenue for use in other federal programs.

Unlike many federal bureaucracies, the patent office is fully self-supporting, largely from fees that companies pay as they try to win patents. Yet the budget experts treat the office as nothing more than a cash cow to be milked. More than \$500 million has been diverted since this odd practice began in 1992.

Each year, the patent office develops a budget aimed at using the full amount of projected user revenue to provide current services and to improve the office's infrastructure and practices. For 2001, projected revenue is \$1.2 billion. But once a budget has been proposed, the congressional shell game begins.

Congress chops the amount of revenue that will actually be made available to the patent office and earmarks the rest for other uses. The current compromise budget lets the patent office keep only about \$784 million of the \$1.2 bil-

lion for 2001 and would divert the rest, \$416 million.

In a confusing final twist, money that had been siphoned away in prior years is drained back into the patent office for the current year. For example, about \$255 million that had been diverted in 1999 and 2000 would be returned for use in 2001. Bottom line, for 2001 the patent office will be \$161 million, or more than 13 percent, shy of what it thinks it needs. This will force cutbacks in planned service improvements, even though expected revenue would be enough to fund them.

Pardon the obvious question, but why are the patent office's plans being gutted? In a year when the federal budget will be hundreds of billions of dollars in the black, the federal government certainly doesn't need the money. But the patent office does.

The patent office has its problems, of course. As one of the older federal agencies, it has had 200 years to hone its bureaucratic skills. The office's remarkable, complex, and sometimes exquisitely picayune procedures would warm the heart of any government administrator. While strong on procedural details, the patent office has been spotty on the quality of its main job: deciding whether an invention merits a

patent. Recently, for example, critics have howled at seemingly lax decisions on some business-method patent applications.

Turnaround time has often been abysmal, sometimes two or three years for a first action after a patent application has been filed. Even the fastest action typically takes a year or more. Although the office has spent years and millions in attempts to automate its work, those efforts have only recently begun to make headway.

Despite its faults, the patent office is crucial to the health of our technology-based economy. The \$161 million to be diverted from its budget could be put to good use by Todd Dickinson, the director. His plans include hiring a raft of new

patent examiners, ratcheting up their training, improving their online searching resources, shortening the turnaround time for first actions on applications, and bolstering computer and online systems to give better service.

Dickinson has the drive to push the patent office ahead on sweeping reforms that stand a reasonable chance of success. He should be given the chance — and the money.

David L. Feigenbaum is a principal at Fish & Richardson, an intellectual property and technology law firm in Boston.

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