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Reasons to Avoid the Anchor: Negotiation in Patent Prosecution

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I. INTRODUCTION

Acquiring a patent on an invention can be a long, confusing, and expensive ordeal for inventors and businesses alike.[1] To alleviate these difficulties, patent attorneys and agents, sometimes called patent prosecutors, are there to guide those seeking patent protection over the course of the patent process. Inventors and patent prosecutors must establish an understanding and a good working relationship as a foundation to operating in the muddled intersection of science and law.[2] Rapport with inventors, however, is only one side of the coin for patent prosecutors. On the other side, there is an entirely different, yet equally vital, relationship to be built and maintained: ongoing bargaining with the United States Patent and Trademark Office ("USPTO"). Despite the unique rules and practices surrounding patent law, patent prosecution is ultimately a function of negotiation.[3]

The features of patent prosecution that liken it to negotiation are readily evident upon examination. Agreement is essential to the registration of a patent, and "[a]nytime you deal with someone else, seeking to reach agreement on some matter, you are involved in a negotiation."[4] Patent prosecution starts with the process of filing a patent application with the USPTO and thereafter interacting with the

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1. *See* Ralph E. Jocke, *Changes in Patent Laws Create Confusion for Inventors*, INTELLECTUAL PROP. NEWS, http://www.walkerandjocke.com/Articles/Changes%20in%20Patent%20Laws%20Article.pdf (last visited Apr. 16, 2020); Gene Quinn & Michael Benson, *Understanding U.S. Patent Prosecution*, IPWATCHDOG (June 30, 2018), https://www.ipwatchdog.com/2018/06/30/understanding-u-s-patent-prosecution/id=98955/ ("The journey from conceiving of an idea through turning that idea into an invention through ultimately receiving a patent for an invention can be daunting. It is a long process, with ups and downs along the way, and one that unfortunately can get expensive.").

2. Audrey Millemann, *Patent Myths Corrected—Part One*, THE IP LAW BLOG (Apr. 2014), https://www.theiplawblog.com/2018/04/articles/ip-law-blog-lawyers-in-the-news/patent-myths-corrected-part-one-3/ ("Patent law is a complicated area of law governed by a confusing set of statutes and regulations that are interpreted by the [USPTO] and the federal courts. Patents themselves are sometimes almost unintelligible and, if intelligible, may require many hours of reading to understand."); Gene Quinn, *An Inventor's Guide to Being Taken Seriously by Patent Attorneys*, IPWATCHDOG (Mar. 28, 2015), https://www.ipwatchdog.com/2015/03/28/inventors-guide-being-taken-seriously-by-patent-attorneys/id=56224/ ("[W]hen representation is most successful there is a good working relationship between the attorney and inventor, and that requires a certain comfort level and familiarity.").

3. Adam Stephenson, *A View of the Future in Semiconductor Process: Patent Prosecution in Class 438 Under the United States Patent and Trademark Office's Final Claims and Continuations Rules*, 8 WAKE FOREST INTELL. PROP. L.J. 272, 272 (2008) ("Patent prosecution, despite its often rigidly regulated contours, is a process run by people and operates according to negotiation models rooted in the fundamentals of human nature and interaction.").

4. MELISSA L. NELKEN, NEGOTIATION: THEORY AND PRACTICE 1 (2d ed. 2007).

agency through a patent examiner to obtain a U.S. patent.[5] The process typically involves a multi–year negotiation as the two sides dispute the scope of the patent's claims and limitations imposed by "prior art" and the invention's own subject matter.[6] While many practitioners recognize the process can be described as a negotiation, few actually treat it as such. Therefore, both sides of the table often miss opportunities to achieve better results through the use of negotiation strategy.[7] That said, not all negotiation strategies transition well into the field of patent law. One particularly risky and detrimental technique patent prosecutors should avoid is anchoring an offer—an offer being, in this case, the set list of the patent's claims.

Section II of this Comment provides a brief overview of the patent prosecution process and the typical relationship between applicant and examiner. Section III then sets forth the fundamentals of negotiation theory and introduces the concept of anchoring in negotiation. Next, Section IV explains how anchoring and patent prosecution intersect. Finally, Section V details three key reasons to avoid anchors in patent negotiations: the nature of the applicant–examiner relationship, associated risks, and incentive programs. Collectively, this Comment seeks to demonstrate the importance of negotiation theory in the relationship between patent examiners and applicants with a focus on how anchoring can negatively impact the process.

II. PATENT PROSECUTION: BASICS AND INTERESTS

Promoting progress in science and the useful arts,[8] as well as protecting the pioneers of such progress, has been cemented into law since the introduction of the Progress Clause of the United States Constitution.[9] The Progress Clause gives Congress the power to, among other things, "promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive

5. *See* JANICE MUELLER, PATENT LAW 59 (5th ed. 2016).

6. Prior art is a particular reference or piece of knowledge that must be overcome by an applicant when the patent examiner uses it to reject one or more claims of the application. This includes if the same application was already patented or described in a printed publication, in public use, on sale, or otherwise available to the public before the filing date of the claimed invention. *See* Gene Quinn, *What is Prior Art?*, IPWATCHDOG (Oct. 2, 2010), https://www.ipwatchdog.com/2010/10/02/what-is-prior-art/id=12677/; 35 U.S.C. § 102(a) (2012); MANUAL OF PATENT EXAMINING PROCEDURE § 2106 (Jan. 2018) (Subject Matter eligibility requires that the applicant claim the invention as one of four statutory categories: processes, machines, manufactures, or compositions of matter. Further, the claimed invention must not fall into one of the judicially made exceptions to subject matter eligibility: abstract ideas, laws of nature, or natural phenomena).

7. *See* Jaron Brunner, *Patent Prosecution as Dispute Resolution: A Negotiation between Applicant and Examiner*, 2014 J. DISP. RESOL. 7 (2014) (stating "[t]ypically, neither patent applicants, nor their legal representatives, have formal training in negotiation skills or theory. In my time as an examiner, and now as a practitioner, I have seen many missed opportunities to use negotiation strategies to reach a faster and better result.").

8. While it may appear that "promoting progress in science" refers to the field of patent law, at the time of construction, the term "science" actually promulgated the copyright clause; "the useful arts" is the basis for patent law. Historically limited to several mechanical or useful arts by definition, the "useful arts" are in contrast to the liberal arts of grammar, logic, rhetoric, arithmetic, geometry, astronomy, and the theory of music. Paul D. Swanson, *Back to the 'Useful Arts'—Supreme Court Reins in the Expansive Interpretation of Patent Eligibility*, LANE POWELL (May 4, 2015), https://www.lanepowell.com/portalresource/lookup/poid/Z1tOl9NPluKPtDNIqLMRV56Pab6TfzcRXncKbDtRr9tObDdEnCJCo0!/file.name=/0515_SBM_LegalBriefs.pdf.

9. U.S. CONST. art. I, § 8 cl. 8.

Right to their respective Writings and Discoveries."[10] Giving those who invent exclusivity to make, use, sell, and import is one feature of the patent system, but the patent system also serves the important function of publishing written disclosures of inventions for the general public.[11] This pseudo bargain between inventors and the public involves providing the public with "meaningful disclosure in exchange for being excluded from practicing the invention for a limited period of time."[12] With those goals in mind, the U.S. patent system was developed entirely under federal law by Congress, which established the USPTO in 1952 to carry out its functions.[13]

Traditionally, the process of obtaining a patent begins when an inventor files an application with the USPTO.[14] Filing the application is the start of what is known as patent prosecution, or the process of interacting with the USPTO and review of the application.[15] This application must contain the following elements: a specification,[16] a drawing,[17] and an oath or declaration.[18] The specification is to contain a written description of the invention and the manner and process of making and using it—whatever "it" may be.[19] Further, the specification must conclude with claims that point out and distinctly declare the subject matter of the invention.[20] Upon receipt of the application, a USPTO patent examiner reviews the application to determine whether it meets formal and substantive requirements and returns a response of his or her assessment to the applicant.[21] This response is called an office action,[22] and it is almost always a rejection of one or more claims.[23] The applicant

10. *Id.*

11. LYDIA P. LOREN & JOSEPH S. MILLER, INTELLECTUAL PROPERTY LAW: CASES & MATERIALS 125 (5th ed. 2017).

12. Enzo Biochem, Inc. v. Gen–Probe Inc., 323 F.3d 956, 970 (Fed. Cir. 2002).

13. *See* 35 U.S.C. § 1 (2000).

14. *See id.* at § 111.

15. MUELLER, *supra* note 5, at § 11.01 ([patent prosecution] refers to the process "of preparing and filing a patent application in the U.S. Patent and Trademark Office (USPTO) and thereafter interacting with the agency to obtain a U.S. patent.").

16. 35 U.S.C. § 112(a) (2012) ("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 as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor or joint inventor of carrying out the invention.").

17. *See id* at § 113 ("The applicant shall furnish a drawing where necessary for the understanding of the subject matter sought to be patented. When the nature of such subject matter admits of illustration by a drawing and the applicant has not furnished such a drawing, the Director may require its submission within a time period of not less than two months from the sending of a notice thereof.").

18. *See id* at § 115 (an oath or declaration must contain statements that the application was made or authorized by the affiant or declarant who believes himself or herself to be the original inventor in the application).

19. *See id* at § 112(a).

20. *See id* at § 112(b).

21. LOREN & MILLER, *supra* note 11, at 127 (an applicant is not entitled to a given patent claim unless that claim (a) is adequately supported by the written disclosure to which it is attached, (b) constitutes patentable subject matter, (c) is useful, (d) is new, and (e) is non–obvious).

22. An office action is written correspondence from the patent examiner that requires a properly signed written response from the applicant in order for prosecution of the application to continue. Moreover, the reply must be responsive to each objection made by the examiner. Examples of office actions include a restriction requirement, a non–final office action, and a final office action. *Responding to Office Actions*, U.S. PATENT & TRADEMARK OFFICE, https://www.uspto.gov/trademarks-maintaining-trademark-registration/responding-office-actions (last visited Apr. 11, 2020).

23. Michael Carley et al., *What is the Probability of Receiving a U.S. Patent?*, 17 YALE J.L. & TECH. 203, 207 (2015) ("[Between 1996 and 2005,] the USPTO allowed 11.4% of the progenitor applications

then can, and most often does, file a response to the office action after amending the claims and urging the examiner to reconsider the rejection(s).[24] Responses generally result in the start of what is an extensive exchange between the applicant and examiner in which each party goes back and forth, amending and rejecting, through what is known as the prosecution history.[25]

The prosecution of a patent application is an iterative process that hinges on the balance of interests between the two parties in the scope of the patent claims.[26] Because patent law encompasses an extremely wide range of inventible material, an examiner is assigned to each application based upon his or her expertise in the field relevant to the potential patent.[27] This allows each examiner to better understand the claims of his or her assigned applications and, consequently, process applications more quickly.

The patent examiner's main interests are issuing only sufficiently narrow claims that avoid infringing on any prior art while simultaneously satisfying subject matter eligibility requirements.[28] Examiners want to avoid issuing "bad" patents, meaning patents that should not have been issued due to a failure to meet one or more statutory patentability requirements.[29] Bad patents go firmly against the policy goals of patent law as whole and directly damage innovation and competition.[30]

> "Bad" patents can hinder innovation by increasing transaction costs for competitors and harm the public with increased product costs. The Consumer Technology Association has estimated that $1.5 billion is wasted by so–called "patent trolls" every week—a staggering $78 billion a year. Thus, examiners who allow "bad" patents clearly harm innovation in real, tangible, and quantifiable ways.[31]

Examiners can similarly hurt innovation by rejecting good, valid patent applications, meaning ones that *do* meet statutory patentability requirements.[32] A great deal of discretion[33] is allotted to patent examiners during the review process, allowing them to deny claims under the formal and substantive requirements discussed above.[34]

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at first action and delivered a non–final rejection decision for 86.4% of the applications, with the remaining 2.3% abandoned prior to a first action decision.").

24. LOREN & MILLER, *supra* note 11, at 127.

25. *Id.* (this extended exchange between the applicant and examiner produces an official documentary history of the application's progress through the PTO known as the "prosecution history").

26. Brunner, *supra* note 7, at 17.

27. MUELLER, *supra* note 5, at 63.

28. Brunner, *supra* note 7, at 11.

29. *See* Mark A. Lemley et al., *What to Do About Bad Patents*, 28 REGULATION 10, 12–13 (2005).

30. Shine Tu, *Bigger and Better Patent Examiner Statistics*, 59 IDEA: IP L. REV 309, 314 (2018).

31. *Id.*

32. Shine Tu, *Three New Metrics for Patent Examiner Activity: Office Actions per Grant Ratio (OGR), Office Actions per Disposal Ratio (ODR), and Grant to Examiner Ratio (GER)*, 100 J. PAT. & TRADEMARK OFF. SOC'Y 277, 281 (2018). Examiners who prevent "good" patents from issuing can also harm innovation by increasing costs for companies that are investing in research and development. By increasing innovation costs, these companies may invest less in bringing groundbreaking technology to the public. If transaction costs associated with the patent system grow too large, these companies may turn to trade secrets as an alternative to the patent system. *Id.*

33. *Id.* at 277, 287.

34. LOREN & MILLER, *supra* note 11, at 127.

Patent examiners have a unique set of competing interests to consider when evaluating applications.[35] Further, patent examiners have an especially unique stake in the applications they grant.[36] In order to monitor the process for any improprieties, the USPTO evaluates patent examiner performance based on four criteria: production, quality, docket management, and stakeholder evaluation.[37] Understanding the patent examiners' interests and time limitations can help patent prosecutors effectively communicate with examiners and speed up the patent application.[38]

Patent applicants usually aim for the broadest claims possible from the start and then try to reduce them as little as possible in hopes of gaining patent protection over as much of the subject matter possible.[39] Applications can, however, include claims that are *too* broad, so much so that the claims run the risk of being ruled invalid in subsequent litigation should a dispute arise.[40] Outside of the purely legal goal of an applicant, there is often also a substantial monetary investment in a patent application that influences whether an applicant tries for wider protection or just accepts a narrower scope.[41] While the exact need varies depending on the applicant and the kind of invention, the expediency of patent prosecution is always important.[42] The sooner a patent is issued, the sooner protection takes effect, as the twenty–year duration begins at the filing stage.[43] Thus, a quicker process typically means fewer office actions and less money spent.[44]

Going into the patent prosecution process, applicants almost always start with the upper hand.[45] In most cases, applicants understand the monetary investment they have already put into the invention, how that investment factors into their decision making,[46] and the details of the invention itself better than anyone else.[47] Applicants might also possess the best knowledge of the prior art surrounding the claimed invention.[48] Taking those various elements into account, an applicant will typically go back and forth with the examiner as he or she tries to achieve his or her best interests by amending claims or, alternatively, asking for reconsideration. At

35. *Id.*

36. Patent examiners, and the USPTO, have a clear interest in the count system installed by the USPTO, in addition to the common interest of creating valid patents. Brunner, *supra* note 7, at 16.

37. Tu, *supra* note 30, at 277, 284.

38. *A Patent Examiner's Tips on How to Speed Up Your Patent Application*, PATSNAP (Feb. 14, 2018), https://www.patsnap.com/blog/patent-examiners-tips-speed-patent-application.

39. Brunner, *supra* note 7, at 11.

40. John R. Allison & Mark A. Lemley, *Empirical Evidence on the Validity of Litigated Patents*, 26 AIPLA Q. J. 185, 207–08 (1998).

41. A conservative estimate is that patent applicants spent about $7.5 billion pursuing patents in 2012—dwarfing the approximately $1.4 billion the USPTO spent examining applications the same year. Stephen Yelderman, *Improving Patent Quality with Applicant Incentives*, 28 HARV. J. L. & TECH. 77 (2014).

42. *See Track One Prioritized Examination Puts Your Innovation in the Fast Lane*, INVENTORS EYE (Nov. 2013), https://www.uspto.gov/learning-and-resources/newsletter/inventors-eye/track-one-prioritized-examination-puts-your ("Speed is an important leverage factor when bringing products to market.").

43. 35 U.S.C. § 154(a)(2) (2013).

44. Christopher R. Hilberg, Robert M. Hirning, & Adam P. Kiedrowski, *Accelerated Examination: A Second Look: Reconsidering the Benefits of the USPTO's New Accelerated Examination Program*, 2 LANDSLIDE 54 (2010).

45. Yelderman, *supra* note 41, at 77–79.

46. *Id.*

47. *Id.*

48. *Id.*

the end of the process, the applicant will either receive an issued patent or a final rejection from the examiner, ending the prosecution history either way.[49] There are additional steps an applicant can take upon a final rejection, but such steps extend beyond the examiner–applicant relationship at issue in this Comment.[50]

III. NEGOTIATION FUNDAMENTALS

In order to fully grasp how negotiation and patent prosecution are intertwined, it is necessary to understand the fundamentals of negotiation. There are two primary negotiation methods: "positional–based" and "interest–based" negotiation.[51] Beyond this most basic division, there are many different strategies and biases that can affect individual negotiations.[52] For purposes of this Comment, the main strategy of focus—one that is often visible in the patent context—is anchoring.

A. Models of Negotiation Theory

"Negotiation" has a variety of legal definitions. Some definitions are broad and encompassing, while others are more preclusive and have set conditions that narrow the word's scope.[53] For example, one broad definition suggests that negotiation occurs in the context of both actual and potential conflict.[54] On the opposite end of the spectrum, narrower definitions limit negotiation to actual, apparent conflict.[55] Regardless, most definitions agree that the overall spirit of negotiation is rooted in the "process of seeking agreement."[56] Conceptualizing negotiation in this way, as opposed to viewing it as a more formalized and elemental procedure, is prudent because negotiations vary wildly and do not always stem from a formal disagreement.[57] No matter how exactly negotiation is defined, there are two prevailing models of negotiation theory.[58] The first model has been variously

49. *See* 37 C.F.R. 1.113 (2004).

50. An applicant can appeal a Final Rejection to the Patent Trial & Appeal Board, and if affirmed there, they may further appeal to the federal circuit. *See* LOREN & MILLER, *supra* note 11, at 128.

51. John Lande, *A Framework for Advancing Negotiation Theory: Implications from a Study of How Lawyers Reach Agreement in Pretrial Litigation*, 16 CARDOZO J. CONFLICT RESOL. 1, 16–17 (2014).

52. *See* PON Staff, *10 Hard–Bargaining Tactics to Watch Out for in a Negotiation*, HARVARD LAW SCH. PROGRAM ON NEGOTIATION (July 1, 2019), https://www.pon.harvard.edu/daily/batna/10-hardball-tactics-in-negotiation/; PON Staff, *The Advantages of Bias at the Negotiation Table*, HARVARD LAW SCH. PROGRAM ON NEGOTIATION (Oct. 14, 2019), https://www.pon.harvard.edu/daily/business-negotiations/using-bias-to-your-advantage/.

53. Lande, *supra* note 51.

54. DONALD G. GIFFORD, LEGAL NEGOTIATION: THEORY & PRACTICE (2d ed. 2007) ("[A] process in which two or more participants attempt to reach a joint decision on matters of common concern in situations where they are in actual or potential disagreement or conflict.").

55. Roy J. Lewicki & Robert J. Robinson, *Ethical and Unethical Bargaining Tactics: An Empirical Study*, 17 J. BUS. ETHICS 665, 665–66 (1998) ("[The] process of potentially opportunistic interaction by which two or more parties, with some apparent conflict, seek to do better through jointly decided action than they could do otherwise.").

56. Lande, *supra* note 51.

57. Factors that may be considered as components of negotiation include an exchange of offers that are close in time, multiple options to choose from, an explicit quid pro quo, and something greater than what is present in normal conversation. *Id.* at 16.

58. *Id.*

called distributive, competitive, adversarial, or positional–based negotiation.[59] The second model is referred to as integrative, problem–solving, cooperative, or interest–based negotiation.[60] While these models share some common principles and values, they are motivated by separate conceptions of social conflict and how to resolve disputes.[61]

Positional–based negotiation is a "stylized, linear, and ritualized struggle" that typically begins with aggressive opening demands that are eventually adjusted up or down towards compromise through a series of concessions.[62] From a traditional perspective, adversarial or positional bargainers typically take firm positions and use bluffs, threats, and demands in an attempt to urge the other party into agreement.[63] The positional negotiator usually aims for the absolute maximum result possible, sometimes treating the other party as an opponent and the negotiation itself as a zero–sum game.[64] The goal in this method is achieving the biggest gain, but such gains often come at a cost to the structure and process of the negotiation, as well as the relationship, if any, between parties.[65] Therefore, the positional method is heavily criticized for its focus on winning rather than resolving disputes.[66]

The interest–based negotiation ("IBN") method generally serves to satisfy both of the parties' interests, creating positive results amicably and efficiently.[67] The basic idea behind IBN is that parties can be more successful in a negotiation by working together instead of treating each other as competitors to be beat.[68] Negotiators who employ this method are usually more courteous, sincere, open, trusting, and reasonable throughout the negotiation process.[69] As opposed to the zero–sum game played in positional negotiation, IBN works with the intention of creating value by engaging each other in a *positive*–sum game.[70] One of the most influential books on IBN, *Getting to YES: Negotiating Agreement Without Giving In*, introduces seven key elements of the method: alternatives, interests, options, legitimacy, communication, commitment, and relationships.[71] After growing dissatisfaction with the established positional negotiation method, IBN spread

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59. *Id.*

60. *Id.* at 17.

61. *See* Robert J. Condlin, *The Nature of Legal Dispute Bargaining*, 17 CARDOZO J. CONFLICT RESOL. 393, 397 (2016).

62. Carrie Menkel–Meadow, *Toward Another View of Legal Negotiation: The Structure of Problem Solving*, 31 UCLA L. REV. 754, 769–70 (1984).

63. *Id.* at 755, 778–80.

64. Lande, *supra* note 51, at 39.

65. John S. Murray, *Understanding Competing Theories of Negotiation*, 2 NEGOT. J. 179, 183 (1986) (adversarial bargainers choose strategies based on what will yield the biggest gain, no matter the cost, and ignore concerns of "fairness, wisdom, durability, and efficiency").

66. *See* Menkel–Meadow, *supra* note 62, at 754, 765–94 (criticizing the structure and process of positional negotiation); Murray, *supra* note 67, at 179; Andrea Kupfer Schneider, *Shattering Negotiation Myths: Empirical Evidence on the Effectiveness of Negotiation Style*, 7 HARV. NEGOT. L. REV. 143 (2002) (stating the adversarial process is stubborn, headstrong, arrogant, egotistical, irritating, argumentative, quarrelsome, hostile, and focused on winning instead of dispute resolution).

67. Lande, *supra* note 51, at 27.

68. NELKEN, *supra* note 4, at 91.

69. CHARLES B. CRAVER, EFFECTIVE LEGAL NEGOTIATION AND SETTLEMENT 11–12 (7th ed. 2012).

70. RUSSELL KOROBKIN, NEGOTIATION THEORY & STRATEGY 101 (3d ed. 2014) (stating that in a cooperative or problem–solving style, negotiators should attempt to maximize joint returns).

71. *See generally* ROGER FISHER & WILLIAM URY, GETTING TO YES: NEGOTIATING AGREEMENT WITHOUT GIVING IN (Bruce Patton ed., 2d ed. 1983).

quickly, revolutionizing the field of alternative dispute resolution over the last few decades.[72] Legal educators and law school courses have advocated for the use of IBN as an alternative, perhaps even more effective, procedure.[73] While the scholastic community has adopted the IBN approach, it is not without criticism.[74] Further, not every situation allows for IBN because of the circumstances or interests of the specific parties.[75]

As mentioned above, positional and interest–based negotiation models are the two most generally accepted theories, but they are not the exclusive options. As John Lande explains, "[t]he prevailing negotiation theory tries to fit lots of square pegs into just two round holes—adversarial or cooperative bargaining. In the real world, negotiation comes in many different shapes, not just circles and squares."[76] Simply put, there is a lot more to negotiation and alternative dispute resolution than the labels that attempt to place such diverse processes into one category or another. Individual strategies matter a great deal regardless of the overarching negotiation method employed. The five most basic strategies are problem–solving, contending, yielding, inaction, and withdrawal, but parties are obviously not limited to just a single strategy.[77]

Before applying any particular strategy, however, understanding the available alternatives is key.[78] Understanding the Best Alternative to a Negotiated Agreement ("BATNA") is a skill essential to any negotiator seated at the bargaining table.[79] The BATNA for each party creates the zone of possible agreement (termed the "bargaining zone"), and guessing the bounds of the zone requires making calculated assumptions about the other party.[80] Understanding the bargaining zone is a prerequisite to any negotiation strategy.[81] Underneath the bargaining zone and specific strategies, however, are human tendencies or biases that impact how people respond and act during negotiations.

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72. Jim Hilbert, *Collaborative Lawyering: A Process for Interest–Based Negotiation*, 38 HOFSTRA L. REV. 1083, 1087 (2010).

73. *Id.*

74. *See* John Lande, *Possibilities for Collaborative Law: Ethics and Practice of Lawyer Disqualification and Process Control in a New Model of Lawyering*, 64 OHIO ST. L.J. 1315, 1380 (2003) ("Although many traditional lawyers intend to act cooperatively and often do so, they can get easily diverted. When lawyers perceive that the opposing side is acting unreasonably, they often reciprocate to protect their clients and demonstrate that they will not be bullied."); Hilbert, *supra* note 72, at 1089 (stating that lawyers "sometimes employ only a partial or half–hearted interest–based strategy to their detriment.").

75. Condlin, s*upra* note 61, at 393, 399 ("A party might have made several unreciprocated concessions and decided that it made no sense to continue.").

76. Lande, *supra* note 51, at 1–2. John Lande is the Isidor Loeb Professor Emeritus and former director of the University of Missouri's LLM Program in Dispute Resolution. *See John Lande*, MU SCH. OF LAW, https://mulaw.missouri.edu/lande/ (last visited Mar. 20, 2020).

77. Problem solving focuses on interests to find alternatives and generate options. Contending involves forcing the will of one party on the other. Yielding involves a reduction in one's aspirational value. Inaction is doing as little as possible during negotiation. Withdrawal is the abandonment of the negotiation all together. Dean G. Pruitt, *Strategic Choice in Negotiation*, *in* NEGOTIATION THEORY & PRACTICE 27–46 (J. William Breslin & Jeffrey Z. Rubin eds., 1991).

78. Guhan Subramanian, *What is BATNA? How to Find Your Best Alternative to a Negotiated Agreement*, HARVARD LAW SCH. PROGRAM ON NEGOTIATION (Sept. 23, 2019), https://www.pon.harvard.edu/daily/batna/translate-your-batna-to-the-current-deal/.

79. *Id.*

80. Brunner, *supra* note 7, 8.

81. Subramanian, *supra* note 78.

B. Negotiation Anchoring

Negotiation biases can be hard to identify and easily go unnoticed despite the hidden control they exert on the process.[82] One of the most influential biases often at play is anchoring bias.[83] Anchoring bias is the tendency to give too much weight to the first number or proposal suggested, the "anchor," and then inadequately adjust from that point.[84] Naturally, there will be anchoring in any negotiation because one party must always begin with some form of proposition. Anchoring bias can greatly affect a negotiation from the beginning by drawing attention to positive qualities if the anchor starts too high or, alternatively, flaws if the anchor starts too low.[85]

An anchor can either be a justifiable, rational opening or an irrational and arbitrary value beneficial to the offering party.[86] Anchoring *strategy*, which takes advantage of the human tendency to attribute too much weight even to baseless initial offers, is "an attempt to launch negotiations from an advantageous statement of value, regardless whether the position is rational or arbitrary."[87] Thus, though all initial offers are anchors, only irrational, baseless, or irrelevant starting propositions constitute "anchoring" within the narrower, strategy–based definition.[88]

In application, there are many ways aggressive anchoring can backfire, such as a loss of credibility, damage to the relationship through an erosion of trust and respect, inability to ascertain the opposing party's least acceptable agreement—their reservation point—and the possibility of the opposing party walking away to avoid a perceived bad–faith negotiation.[89] On the other side of the bargaining table, the opposing party cannot prevent the offeror from making an arbitrary initial proposition, but he or she *can* take steps to resist the number's persuasive power.[90] The first and easiest way to defend against an anchor is to come to the negotiation with adequate preparation.[91] Other methods of defense include counter–anchoring, rejecting the anchor, or ignoring the anchor altogether.[92] Anchoring decisions, whether an initial offer or a countermeasure, require foresight and depend heavily on a negotiator's knowledge of the zone of possible agreement and assessment of the other party's knowledge of the same.[93]

82. Tara Ollapally & Annapurna Sreehari, *Why do Negotiations Fail—The Cognitive Biases that Affect Human Interactions*, YOURSTORY (Nov. 13, 2017), https://yourstory.com/2017/11/negotiations-fail-cognitive-biases-affect-human-interactions.

83. Katie Shonk, *What is Anchoring in Negotiation?*, NEGOTIATION SKILLS DAILY (Feb. 19, 2019), https://www.pon.harvard.edu/daily/negotiation-skills-daily/what-is-anchoring-in-negotiation/.

84. *Id.*

85. *Id.*

86. *Anchoring*, WATERSHED ASSOCS., https://www.watershedassociates.com/learning-center-item/anchoring.html (last visited Mar. 19, 2020).

87. *Id.*

88. *Id.*

89. *Id.*

90. *Id.*

91. *Id.*

92. WATERSHED ASSOCS., *supra* note 86. Counter–anchoring is responding to the other party's anchor with an unreasonable offer in kind. *See* PON Staff, *Dealing with Difficult People: Coping with an Insulting Offer in Contract Negotiations*, HARVARD LAW SCH. PROGRAM ON NEGOTIATION (Apr. 27, 2019), https://www.pon.harvard.edu/daily/dealing-with-difficult-people-daily/dealing-with-difficult-people-coping-with-an-insulting-offer/.

93. Shonk, *supra* note 83.

IV. ANCHORING IN THE PATENT PROSECUTION PROCESS

Patent prosecution is a special type of negotiation, with rigidly regulated steps, that creates a unique context where anchoring can occur.[94] While anchors can be laid in a few different stages of patent prosecution, they are most influential when drafting claims for a patent application's specification.[95] Before moving on to the reasons to avoid an anchoring strategy, it is important to recognize the benefits that can be brought about by successful use of an anchor in a patent application.

A. When Do Negotiators Drop Anchors?

Returning briefly to the basics, negotiation and negotiation theory encompass a substantial range of activities broadly described as "deal[ing] with someone else, seeking to reach agreement on some matter."[96] The communication between two parties and the iterative process that follows within the patent prosecution procedure mirror traditional elements of negotiation theory.[97] It is easy, then, to characterize patent prosecution as a form of negotiation, but doing so minimizes just how unique and different it is from the "typical" negotiation. The relationship must strike a delicate balance between issuing only valid patents that an inventor has a right to claim and obtaining as much patent coverage possible, as efficiently as possible.[98] Due to the special interests that arise in patent prosecution, there are many negotiation strategies that simply do not apply in the patent negotiation context. One strategy that remains, however, is anchoring.[99]

The patent prosecutor, or applicant, is always the one that must get the ball rolling towards patent protection for the specified invention through submission of an initial application.[100] There are several elements necessary to complete the application. In particular, unless it is a provisional application,[101] the specification must contain one or more claims over the subject matter regarded as the invention.[102] In patent law, a familiar mantra holds true: "the name of the game is the claim."[103] The claims of the patent are used to determine whether or not

94. Stephenson, *supra* note 3.
95. *See supra* text accompanying n.16 for the meaning of specification.
96. NELKEN, *supra* note 4.
97. Brunner, *supra* note 7, at 8.
98. *See* Brunner, *supra* note 7, at 11; Lemley, *supra* note 30; George F. Wheeler, *Creative Claim Drafting: Claim Drafting Strategies, Specification Preparation, and Prosecution Tactics*, 3 J. MARSHALL REV. INTELL. PROP. L. 34, 38, 39 (2003).
99. Brunner, *supra* note 7, at 10.
100. 35 U.S.C. § 111(a)(1) (2015) ("An application for patent shall be made, or authorized to be made, by the inventor, except as otherwise provided in this title, in writing to the Director.").
101. John Calvert, *The Provisional Patent Application: What You Need to Know*, INVENTORS EYE (Apr. 2010) ("A provisional patent application (PPA) is a patent application that can be used by a patent applicant to secure a filing date while avoiding the costs associated with the filing and prosecution of a nonprovisional patent application.").
102. 35 U.S.C. § 112(a) (2012).
103. Giles S. Rich, *The Extent of the Protection and Interpretation of Claims: American Perspectives*, 21 INT'L REV. INDUS. PROP. & COPYRIGHT L. 497, 499–501 (1990).

infringement of the patent has occurred, with the assistance of intrinsic and extrinsic evidence for proper interpretation.[104]

The ultimate goal of a patent prosecutor is to "[w]ork hard to get the broadest claims available and a desirable range of narrower claims to protect against invalidity attacks, rather than pulling your punches in hope of producing a claim that is literally narrow as printed in the patent but effectively broad in litigation."[105] In other words, a patent prosecutor wants the broadest coverage possible to defend against potential infringers, but there are tradeoffs that come with overly broad claims, such as susceptibility to invalidity challenges.[106] The goal of achieving maximum protection leads applicants to claim very broadly in the initial application to obtain the broadest allowable scope at the end of the process.[107] In effect, applicants often start their patent prosecution by anchoring high.[108]

B. Advantages

From the perspective of a rational and self–interested inventor who interacts with the USPTO through a patent prosecutor, the benefits of anchoring at the start may seem too good to pass up. Patent claims are usually drafted in a way that pushes the boundaries and may not accurately reflect the scope of the real invention.[109] That said, rarely will a patent prosecutor get away with claims that are much too broad; an overwhelming majority of applications are rejected upon first office action.[110] The USPTO cannot police every patent application perfectly, however, which means that claims beyond the scope of the invention are bound to get through on occasion.[111]

From a traditional negotiation standpoint, the inventor sits in a prime position to start the patent prosecution negotiation with an aggressive anchor. Applicants can easily understand the zone of possible agreement in advance of negotiations, well before the examiner gets his or her hands on the application.[112] Because infringement is based upon whether another's product or use falls within the patent's boundaries, as defined by its claims, it makes sense to try for the broadest scope possible.[113] Anchoring seems like a foolproof way to obtain the desired result, but the field's many intricacies—including the relationship between applicant and examiner—render anchoring a strategy to be avoided in the context of patent claims.

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104. Intrinsic evidence, which is the patent itself and its prosecution history including the prior art cited therein, and extrinsic evidence, which is evidence outside official administrative records of the patent's procurement, are both used in claim interpretation. *See* MUELLER, *supra* note 5, at 636–37.

105. Wheeler, s*upra* note 98.

106. *Id.*

107. Brunner, *supra* note 7, at 13.

108. *Id.*

109. Tun–Jen Chiang, *Forcing Patent Claims*, 113 MICH. L. REV. 513, 523 (2015).

110. Carley et al., *supra* note 23.

111. Chiang, *supra* note 109, at 522 ("To be sure, patentees cannot get away with claiming everything in the universe because the PTO will scrutinize the claims. And yet it is fanciful to suppose that the PTO can police patentees perfectly and catch every subtle drafting trick.").

112. Shonk, *supra* note 83.

113. Robert P. Merges & Richard R. Nelson, *On the Complex Economics of Patent Scope*, 90 COLUM. L. REV. 839, 841 (1990) ("In arguing the case, she will try to demonstrate that the accused infringer's product falls within the boundaries of her invention, as defined in her patent claims, or that any differences between the infringer's device and her invention are insignificant.").

V. REASONS TO AVOID THE ANCHOR

When a patent prosecutor is drafting claims, there are a plethora of factors to weigh, circumstances to account for, and judgments to be made on behalf of the applicants they represent. Unsurprisingly, there is no perfect claim drafting strategy. In general, though, there are three essential reasons to avoid an anchoring strategy when constructing claims: the impact on the applicant–examiner relationship; risks and detriments that result from anchoring; and incentives offered to draft reasonable, un–anchored claims.

A. Applicant–Examiner Relationship

The relationship between applicant and patent examiner depends on many factors and cannot be fully defined by any single feature.[114] Nonetheless, the relationship can be broadly categorized into one of the two main negotiation structures, positional–based or interest–based.[115] When an applicant starts by anchoring in their application, the subsequent interactions will likely become positional.[116] Indeed, positional–based negotiations characteristically begin with high demands, then turn to a series of concession on both ends when neither is willing to entirely give up their strongly–held position.[117] It follows that anchoring is, in a way, the act of starting positional negotiations. The goals of positional–based negotiation match the goals of the traditional patent applicant as well—maximizing the gains generated from the negotiation and obtaining a patent with as broad of claims as possible.[118]

Over the past few decades, positional–based negotiation has been criticized heavily, yet it remains a negotiation form that many parties still believe in and successfully employ in standard negotiations.[119] The positional–based model has clear deficiencies when it comes to patent negotiations because the exchange between a patent examiner and applicant is quite unlike any other.[120] These deficiencies are drawn out through the risks of anchoring, especially loss of credibility, damage to the relationship of trust and respect, and inability to ascertain the opposing party's least acceptable agreement.[121] Anchoring damages relationships that could be strategic and incredibly helpful. Examiners often show a strong willingness to work with helpful applicants toward granting the patent.[122] Conversely, when applicants practice anchoring in an attempt to get broad protection, an examiner can counter by rejecting claims through an office action citing to prior art that is not exactly identical to the invention at issue.[123] In this

114. Lande, *supra* note 51, at 45.
115. *Id.* at 17.
116. Menkel–Meadow, *supra* note 62, at 835.
117. *Id.* at 767.
118. Murray, *supra* note 65; Brunner, *supra* note 7, at 13.
119. Hilbert, *supra* note 72, at 1083.
120. *Id.* at 1096.
121. Brunner, *supra* note 7, at 17.
122. *Id.* at 12–13.
123. *Id.* at 13 ("[B]road claims may allow the Examiner to cite prior art that is unrelated to the invention for which a patent is sought, because the broadly drafted claims can be read onto the unrelated prior art.").

way, anchoring can cause protracted prosecution, increased fees, and even invalid patents.[124]

Rather than beginning an exchange contrary to the goals of patent prosecution and the interests of both parties, an applicant should recognize the examiner as a partner and try to follow an interest–based negotiation method. When the two parties are no longer focused on "winning" the patent prosecution, they can easily recognize a common objective between them: creating a valid patent.[125] When beginning an interest–based negotiation, the "[a]pplicant should keep in mind that her presentation on the claims and the prior art is a prelude to a negotiation aimed at reaching agreement on what is patentable."[126] Giving as much detail possible in the specification and presenting prior art to guide the interpretation of the claims help the examiner give meaningful rejections when necessary and help applicants prove claims are sufficiently valid even when broad.[127] The effectiveness of interest–based patent negotiation in comparison to positional–based negotiation should serve as a reminder that each side should work to bring the patent to fruition and attempt to reach an understanding.

B. Losses in Litigation

It is the essence of the patent system that inventors who disclose their valid inventions receive a limited monopoly to exclude others from infringing upon their intellectual property ("IP") rights.[128] Patent holders are not obligated to keep others from infringing, but if they choose to exercise their right, litigation is their means of doing so.[129] The best patents have valid claims with as broad of a scope as possible to protect against as many potential infringers in the claimed subject matter as possible.[130] To assert their intellectual property rights, a patentee—an applicant granted a patent—must allege either literal infringement or "nontextual" infringement through the doctrine of equivalents.[131]

The doctrine of equivalents, an entirely judicially made rule of law, is a very important aspect of patent litigation because it contributes substantially to the

124. *Id.*
125. *Id.* at 16.
126. Stephen C. Durant et al., *Fundamentals of Patent Prosecution 2008: A Boot Camp for Claim Drafting & Amendment Writing*, 936 P.L.I.: PATS., COPYRIGHTS, TRADEMARKS, & LITERARY PROP. COURSE HANDBOOK SERIES 249, 259 (June 2008).
127. Brunner, *supra* note 7, at 11.
128. MUELLER, *supra* note 5.
129. *Id.*
130. Brunner, *supra* note 7, at 11.
131. *See* MUELLER, *supra* note 5, at 662–63; Melody Musoni, *The Doctrine of Equivalents in Patent Claim Interpretation*, MOORE IP: MOORE INTELLECTUAL PROP. (Oct. 2, 2017), http://www.moorepatent.co.za/the-doctrine-of-equivalents-in-patent-claim-interpretation/ ("Non–textual infringement . . .occurs when third parties attempt to design around a patent whilst making use of the basic idea of the patentee and varying, adding or omitting from the patentee's invention to benefit therefrom without suffering the consequences of infringement."); *Doctrine of Equivalents*, LEGAL INFO. INST., https://www.law.cornell.edu/wex/doctrine_of_equivalents (last visited Apr. 8, 2020) (Doctrine of Equivalents is "[a] means by which a patentee may raise a claim of infringement even though each and every element of the patented invention is not identically present in the allegedly infringing product. The purpose of the doctrine is to prevent an infringer from stealing the benefit of a patented invention by changing only minor or insubstantial details of the claimed invention while retaining the same functionality. The essential inquiry in determining equivalency is whether the accused product or process contains elements identical or equivalent to each claimed element of the patented invention.").

standard for determining patent infringement liability.[132] The doctrine comes into effect when there are accused devices that differ from the claims in inconsequential amounts but are not fully encompassed within the literal scope of the claim.[133] Naturally, an anchor strategy would seem to achieve the broadest claims for litigation purposes, but such an assumption is misleading. Anchoring claims within a patent application is a dangerous strategy.[134] Anchoring has a potentially immense impact on the patent holder's future rights through litigation in both the defense of prosecution history estoppel and through invalidity.[135]

1. Prosecution History Estoppel

The risk a patent prosecutor assumes when he or she aggressively anchors the claims of an application is that too-broad claims will be swiftly rejected.[136] While this may not seem like the worst fate, as the process explicitly allows for amendments in this situation, having to narrow the scope of a claim can come back to haunt the patentee through prosecution history estoppel.[137] Prosecution history estoppel is "the principle that statements used in communications between a patent attorney and a patent Examiner at the USPTO can and will be used against an applicant if a patent is litigated."[138] In short, when an applicant narrows a claim due to rejection of the subject matter claimed initially, the subject matter "between" that initial claim and the reduced claim, as determined by the intrinsic evidence, cannot be asserted to be included within the doctrine of equivalents.[139] Despite differences in interpretation across inferior courts, the Supreme Court of the United States, in the *Festo*[140] line of cases, determined that an examination of subject matter surrendered by narrowing amendments is required and established a rebuttable presumption that such amendments surrender the particular equivalent.[141]

Any patent attorney would dread having to overcome the presumption that an amendment to a particular claim surrenders the subject matter of the limitation

132. MUELLER, *supra* note 5, at 136.
133. *Id.*
134. Yelderman, *infra* note 155, at 1982.
135. *See* discussion *infra* Sections V(B)(1)–(2).
136. Carley et al., *supra* note 23.
137. Brunner, *supra* note 7, at 8.
138. Gene Pierson, *What is Prosecution History Estoppel?*, PIERSON INTELLECTUAL PROP. (Sept. 11, 2013), http://piersonpatentlaw.com/what-is-prosecution-history-estoppel/.
139. MUELLER, *supra* note 5, at 674. Suppose an applicant claimed 1 through 10, but the examiner rejected this because 9 has already been claimed, so the applicant then reduces their claims to 1 through 8. The "area" between 8 and 10 has been given up and cannot be asserted in an infringement case later should the patent be granted. If the applicant originally claimed 1 through 8, it could be argued that 8.4 is within the same meaning as 8 under the doctrine of equivalents, but this is barred for the applicant who reduced the claim after rejection due to prosecution history estoppel.
140. *See* Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 535 U.S. 722, 738 (2002). Festo Corporation sued Shoketsu Kinzoku Kogyo Kabushiki Co. ("SMC"), alleging that SMC infringed two of its patents through literal infringement and nontextual infringement under the doctrine of equivalents. The jury found no literal infringement, but instead held SMC liable for infringement through the doctrine of equivalents. The question before the Supreme Court was whether an estoppel applied to a voluntary amendment to preclude the doctrine of equivalents, and it was held that when an inventor narrows the claims of an application by amendment, and the amendment is not made to make the claim patentable, the doctrine of equivalents is still available against infringers. *Id.*
141. *Id.* at 738 ("There is no reason why a narrowing amendment should be deemed to relinquish equivalents, beyond a fair interpretation of what was surrendered.").

under the doctrine of equivalents. The best way of evading prosecution history estoppel altogether is to draft claims balanced enough to avoid rejections requiring amendment, while also attempting to cast as wide of an anti–infringement safety net as possible.[142] Such a feat, however, would require unattainable foresight into not only every element of the subject matter, but also the subjective thoughts of the assigned examiner, as one examiner can operate very differently from the next.[143] Following an initial office action, a patent prosecutor will almost always be forced to amend the claims for narrower breadth, starting the fire that lights the way for a defendant in future litigation to invoke prosecution history estoppel.[144]

2. Defense of Invalidity

When the patentee brings a claim against an alleged infringer, either for direct infringement or "nontextual" infringement, the invalidity of the issued patent can be raised as a defense and cause trouble in instances of successfully anchored claims. To the benefit of the patentee, there is a presumption of validity of the patent and each claim therein that the defendant must overcome.[145] To meet his or her burden, the defendant may prove invalidity of the patent on the same grounds that could have prohibited patentability with the USPTO, including compliance with 35 U.S.C. §§ 101 (patent–eligible subject matter and utility); 102 (novelty); 103 (nonobviousness); and 112 (specification requirements).[146] While the USPTO can try to perfectly reject, narrow, and finally accept every single patent application, some claims that are functionally too broad to be valid will inevitably slip through.[147] The defense of invalidity offers the defendant a chance to identify and challenge the imperfections of the USPTO, albeit with a higher burden.[148] Invalidity can effectively be used to police bold patent claimants who try to claim as much as possible without providing an accurate reflection of their invention.[149]

Further, upon declaration by a federal court that a patent is invalid, the patent owner is collaterally estopped from asserting validity of the patent against other alleged infringers.[150] This doctrine precludes relitigating issues, such as claim construction, rather than entire legal claims, such as patent infringement.[151] In

142. Robert Buergi, *Myths About Avoiding Prosecution History Estoppel*, LAW JOURNAL NEWSLETTERS (Jan. 2005), http://www.lawjournalnewsletters.com/sites/lawjournalnewsletters/2005/01/28/myths-about-avoiding-prosecution-history-estoppel/?slreturn=20200220162513.

143. Jeff O'Neill, *Winning Strategies for Getting Past the Five Types of Patent Examiner*, IP WATCHDOG (Jan. 31, 2019), https://www.ipwatchdog.com/2019/01/31/winning-strategies-patent-examiner/id=105762/.

144. Carley et al., *supra* note 23, at 204.

145. JANICE MUELLER, PATENT LAW 813 (5th ed. 2016); 35 U.S.C. § 282(a) (2012) ("Each claim of a patent . . . shall be presumed valid independently of the validity of other claims; dependent or multiple dependent claims shall be presumed valid even though dependent upon an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.").

146. 35 U.S.C. § 282(b) (2012). For definitions of these requirements, see *supra* Section II.

147. Chiang, *supra* note 109, at 514 ("To be sure, patentees cannot get away with claiming everything in the universe because the PTO will scrutinize the claims. And yet it is fanciful to suppose that the PTO can police patentees perfectly and catch every subtle drafting trick.").

148. Roger Allan Ford, *Patent Invalidity Versus Noninfringement*, 99 CORNELL L. REV. 71, 103 (2013).

149. *Id.* at 123.

150. *See* Blonder–Tongue Labs., Inc. v. Univ. of Ill. Found., 402 U.S. 313 (1971).

151. Terril G. Lewis, *Collateral Estoppel as Applied to the Construction of Patent Claims (Part I)*, 83 J. PAT. & TRADEMARK OFF. SOC'Y 851, 856 (2001).

general, courts apply a four–part test to identify issues that are estopped.[152] In comparison to other forms of litigation, patent litigation is special because it "has the potential to scuttle monopolies and open markets," elevating issue preclusion through collateral estoppel.[153] While a patent holder can re–examine his or her claims,[154] or include a desirable range of narrower claims as insurance against invalidity,[155] the risk of an issued patent with purposely broad claims remains. There is an uncertainty that exists with inventions that are patented with broad claims as to the extent of the coverage that can be sustained. This in turn leaves room for sizable investments into a field that is later realized as being unprotected, which puts a substantial risk on the patent holder and investors in these broadly claimed inventions.

C. Rewards for Steering Clear

In addition to the numerous disincentives for those aggressively pursuing overbroad patent coverage, the USPTO has implemented certain initiatives to push applicants to avoid the anchor. Programs such as Track One, also known as Prioritized Examination,[156] and Accelerated Examination offer such incentives.[157] These programs aim to address the fact that time can work against many inventors, especially independent inventors or small business owners.[158] Patented technology makes for a more preferable investment, and without financial support from outside investors, businesses can stall.[159] Thus, speed of patent prosecution is a major factor in an inventor's intellectual property decision process, and the following programs offer expediency as a reward to inventors who avoid anchors.[160]

1. Accelerated Examination

In August of 2006, the USPTO established the Accelerated Examination procedure as a way for applicants to jump ahead in the metaphorical patent prosecution line.[161] The goal of Accelerated Examination is to reach final

152. *See* Charles Bieneman, *How Is Collateral Estoppel Applied to Patent Invalidity?*, THE SOFTWARE IP REPORT (May 14, 2018), https://www.b2ipreport.com/swip-report/collateral-estoppel-applied-patent-invalidity/ (the court considers: "(1) whether there is substantial overlap between the evidence or argument presented in the prior case and the current one, (2) whether the current case involves the application of the same rule of law as the prior case, (3) whether pretrial preparation and discovery in the prior case would reasonably have been expected to uncover evidence or arguments raised in the current case, and (4) whether there is substantial overlap between the claims of the prior case and the current case.").

153. Stephen Yelderman, *Do Patent Challenges Increase Competition*, 83 U. CHI. L. REV. 1943, 1946 (2016).

154. *Id.* at 1943.

155. Wheeler, *supra* note 98, at 38.

156. *See USPTO's Prioritized Patent Examination*, U.S. PATENT & TRADEMARK OFFICE, uspto.gov/patent/initiatives/usptos-prioritized-patent-examination-program (last visited Apr. 8, 2020).

157. *See Accelerated Examination*, U.S. PATENT & TRADEMARK OFFICE, https://www.uspto.gov/patent/initiatives/accelerated-examination (last visited Apr. 7, 2020).

158. *Track One Prioritized Examination Puts Your Innovation in the Fast Lane*, U.S. PATENT & TRADEMARK OFFICE (Nov. 2013), https://www.uspto.gov/learning-and-resources/newsletter/inventors-eye/track-one-prioritized-examination-puts-your.

159. *Id.*

160. *Id.*

161. Hilberg, Hirning, & Kiedrowski, *supra* note 44.

disposition within twelve months.[162] The filing must have three or fewer independent claims and the sum of independent and dependent claims must be no more than twenty claims total.[163] An interview with the examiner occurs before the first office action, and the petition fee is $140.[164] Accelerated Examination differs from normal patent prosecution in that it must be filed with pre–examination documents and an examination support document.[165] In other words, the applicant, when filing for the procedure, must have done his or her own examination of prior art and provided explanations as to how the claims differ from the identified prior art.[166]

The most obvious advantage of using Accelerated Examination is its rightful description as "accelerated"; the faster a patent application is completed, the better,[167] and the sooner the patent is obtained, the greater the number years remaining on the patent duration following prosecution.[168] Because this process requires that applicants conduct a thorough pre–examination search, characterize which limitations are taught by the prior art, and provide an explanation of patentability, much of the examiner's work has already been completed by the time the application reaches an examiner.[169] In essence, the accelerated process is a form of anti–anchoring where the goal is to help the other party glean a clear understanding of the proposal and how it compares to the rest of the field. By accurately representing claims from the beginning, an applicant can potentially obtain his or her patent with fewer office actions, less complex of responses, and less attorney time devoted to office action analyses.[170]

2. Track One

The Track One program was instituted in 2011 as part of the America Invents Act, and is known officially as the Prioritized Patent Examination Program.[171] Like Accelerated Examination, Track One promises a final disposition within twelve months.[172] Track One comes after and takes from other similarly established

162. Changes to Practice for Petitions in Patent Applications to Make Special and for Accelerated Examination, 71 Fed. Reg. 36.323 (proposed June 26, 2006) (to be codified at 37 C.F.R. pt. 1).
163. *Id*. at 36.324.
164. *See id*.; Michael Henry, *How to Speed Up Patent Prosecution at the USPTO*, HENRY PATENT LAW FIRM (Apr. 26, 2018), https://www.henrypatentfirm.com/blog/speed-up-patent-prosecution.
165. Changes to Practice for Petitions in Patent Applications to Make Special and for Accelerated Examination, 71 Fed. Reg. 36.324–25.
166. Gene Quinn & Steve Brachmann, *USPTO Considering an End to Accelerated Examination*, IP WATCHDOG (Aug. 30, 2016), https://www.ipwatchdog.com/2016/08/30/uspto-end-accelerated-examination/id=72377/; Henry, *supra* note 164.
167. Hilberg, Hirning, & Kiedrowski, *supra* note 44.
168. *Id.* at 53.
169. *Id.*
170. *Id.*
171. James Cosgrove & Katrina Brundage, *Don't Wait to File a Track One Request if You Think You Might Need It*, IP WATCHDOG (Oct. 31, 2016), https://www.ipwatchdog.com/2016/10/31/dont-wait-to-file-a-track-one-request/id=74189/; VEDDER PRICE, *Summary of the America Invents Act*, NAT'L LAW REVIEW (Apr. 12, 2012), https://www.natlawreview.com/article/summary-america-invents-act ("On September 16, 2011, the Leahy–Smith America Invents Act (AIA), also called the Patent Reform Act of 2011, was enacted into law. President Obama stated that this 'long overdue reform is vital to our ongoing efforts to modernize America's patent laws.' The changes mostly harmonize U.S. patent law with the rest of the world.").
172. Cosgrove & Brundage, *supra* note 171.

programs such as the aforementioned Accelerated Examination, as well as Patent Prosecution Highway,[173] Green Pilot Program,[174] and provisions for special examination due to the applicant's age or health.[175] As of May 4, 2017, Track One applications received, on average, first office actions two months from the grant of the prioritized status and final dispositions six–and–a–half months thereafter.[176] In comparison, regular applications averaged sixteen months for the first office action and twenty–six months or longer for final disposition.[177]

A big factor that weighs against choosing Track One is the cost; the non–small entity patent application Track One fee is $4,000.[178] Original applications further require a filing fee, search fee, examination fee, application size fee, and excess claims fees.[179] In order to be eligible, an application cannot have more than four independent claims, more than thirty dependent claims, or multiple dependent claims.[180] On top of the numerous fees, Track One is terminated if: the applicant requests an extension of time; a "final" office action is mailed by the USPTO; the applicant requests continued examination or suspension of action; the applicant files a notice of appeal; or the application is amended to contain more than four independent claims, more than thirty total claims, or a multiple dependent claim.[181]

Many members of the IP community view Track One as a much more favorable route to receiving a patent quickly than Accelerated Examination because of its more lenient requirements.[182] As Gene Quinn[183] puts it, "[i]n a world where lightning fast, prioritized examination can be had for the payment of a fee it really doesn't make sense to go through the trouble of doing the rigorous search and creating an examination support document that will create nothing but an undesirably negative prosecution history."[184] Track One has many of the same benefits for applicants in enhancing business objectives, including IP and commercialization strategies, enforcement activities, capital attracting, and

173. *Patent Prosecution Highway (PPH)—Fast Track Examination of Applications*, U.S. PATENT & TRADEMARK OFFICE, https://www.uspto.gov/patents-getting-started/international-protection/patent-prosecution-highway-pph-fast-track (last visited Apr. 7, 2020). The Patent Prosecution Highway speeds up the examination process for intellectual property offices falling under the International Protection category.

174. *See Green Technology Pilot Program—Closed*, U.S. PATENT & TRADEMARK OFFICE, https://www.uspto.gov/patent/initiatives/green-technology-pilot-program-closed (last visited Apr. 7, 2020). The Green Technology Pilot Program allowed applications to be advanced out of turn for examination when they pertained to green technologies such as environmental quality, energy conservation, development of renewable energy resources, etc.

175. Amanda Patton, *When Patent Offices Become Captain Planet: Green Technology and Accelerated Patent Examination Programs in the United States and Abroad*, 3 AM. U. INTELL. PROP. BR. 30 (2012).

176. Lori Brandes, *Track One: Still the One for Accelerating Patent Examination in the U.S.?*, NAT'L LAW REVIEW (May 4, 2017), https://www.natlawreview.com/article/track-one-still-one-accelerating-patent-examination-us.

177. *Id.*

178. 37 C.F.R. § 1.17(c) (2016).

179. Brandes, *supra* note 176.

180. Changes to Implement the Prioritized Examination Track (Track I) of the Enhanced Examination Timing Control Procedures Under the Leahy–Smith America Invents Act, 76 Fed. Reg. 59.050, 59.051 (proposed Sept. 23, 2011) (to be codified at 37 C.F.R. pt. 1).

181. Brandes, *supra* note 176.

182. Quinn & Brachmann, *supra* note 166.

183. *See* Gene Quinn—Biography, IP WATCHDOG, https://www.ipwatchdog.com/people/gene-quinn-3/ (last visited Apr. 7, 2020).

184. Quinn & Brachmann, *supra* note 166.

reducing perceived risk by investors or licensees.[185] For applications in which a request was filed simultaneously with the patent application, the benefits are manifold—higher allowance rates, faster prosecutions, and fewer office actions.[186] Although not as anti–anchor as Accelerated Examination, there is still a general deterrence of anchoring in Track One in part because of the claim limits, the short length of prosecution without extension, and the up–front financial investment into the process.[187]

VI. CONCLUSION

Patent prosecution is built upon the relationship between the applicant and the examiner. Just as any other negotiation, this relationship can work smoothly and cooperatively through an interest–based method where the two parties strive together to advance each other's goals. Contrarily, one party can attempt to gain an upper hand or leverage their way into success through a positional–based negotiation method where the process is adversarial. The choice of which of these processes to employ rests upon how an applicant launches his or her patent prosecution. Will the applicant aggressively claim as much protection as he or she can, or will the applicant narrow their scope and make the process easier on everyone involved? This is the choice that must be made when deciding whether to anchor the claims in a patent application. The reasons to avoid doing so are clear. Whether it be the incentives introduced by the USPTO, the potential detriments and risks that anchoring poses, the importance of preserving the relationship between applicant and examiner, or some combination thereof, there are certainly reasons to avoid negotiation anchors in patent prosecution.

185. Carey Jordan, *Strategic Uses of New USPTO Initiatives & Procedures: How to Improve Prosecution Expediency*, IP WATCHDOG (Apr. 28, 2014), https://www.ipwatchdog.com/2014/04/28/strategic-uses-of-new-uspto-initiatives-and-procedures-how-to-improve-prosecution-expediency/id=49296/.

186. Cosgrove & Brundage, *supra* note 171.

187. Brandes, *supra* note 176 ("Therefore, Track One may not be advisable if an applicant does not expect to be able to keep up with the rapid pace of examination. Track One may also not be advisable for applications that require lengthy claim sets to capture all the important aspects of an invention.").