



Highlights of [GAO-05-336](#), a report to congressional committees

## Why GAO Did This Study

The volume and complexity of patent applications to the U.S. Patent and Trademark Office (USPTO) have increased significantly in recent years, lengthening the time needed to process patents. Annual applications have grown from about 185,000 to over 350,000 in the last 10 years and are projected to exceed 450,000 by 2009 (see figure). Coupled with this growth is a backlog of about 750,000 applications.

USPTO has long recognized the need to automate its patent processing and, over the past two decades, has been engaged in various automation projects. Accordingly, GAO was asked to, among other things, assess progress to date and any problems facing USPTO as it develops the capability to efficiently handle patent information electronically.

## What GAO Recommends

To better position USPTO to improve its patent process through the use of automation, GAO is making recommendations to the Secretary of Commerce that address the agency's management of its patent automation strategy and related information technology investments. In commenting on this report, USPTO generally agreed with our findings, conclusions, and recommendations. However, the agency only partially agreed with several material aspects of our assessment.

[www.gao.gov/cgi-bin/getrpt?GAO-05-336](http://www.gao.gov/cgi-bin/getrpt?GAO-05-336).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Linda Koontz at (202) 512-6240 or [koontzl@gao.gov](mailto:koontzl@gao.gov).

# INTELLECTUAL PROPERTY

## Key Processes for Managing Patent Automation Strategy Need Strengthening

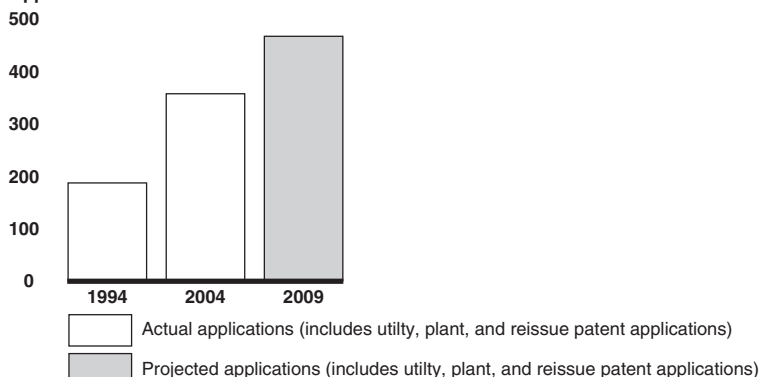
### What GAO Found

As part of its strategy to achieve a paperless, electronic patent process, USPTO had planned to deliver an operational patent system by October 2004. It has been able to deliver important capabilities, such as allowing patent applicants to electronically file and view the status of their patent applications and the public to search published patents. Nonetheless, after spending over \$1 billion on its efforts from 1983 through 2004, the agency's existing automation has not provided the fully integrated, electronic patent process articulated in its automation plans, and when and how this process will be achieved is uncertain. Key systems that USPTO is relying on to help reach this goal—an electronic application filing system and a document imaging system—have not provided capabilities that are essential to operating in a fully electronic environment. Contributing to this situation is that the agency took an ad hoc approach to planning and managing its implementation of these systems, in which it lacked effective analysis of system requirements, alternatives, and costs; made acquisition decisions based on management judgment; and acquired software that did not meet its needs.

USPTO's ineffective planning and management of its patent automation initiatives, in large measure, can be attributed to enterprise-level, systemic weaknesses in its information technology investment management processes. Although the agency had begun instituting essential investment management mechanisms, such as its enterprise architecture framework, it had not yet finalized its capital planning and investment control process nor established necessary linkages between the process and its architecture to guide the development and implementation of its information technology. The Under Secretary of Commerce for Intellectual Property and USPTO's chief information officer acknowledged the need for improvement, but specific plans for resolving problems have not yet been developed.

**Actual and Projected Patent Applications, Fiscal Years 1994–2009**

Applications in thousands



Source: USPTO data.