

Due Diligence: Intellectual property



Patent world expanding, but work sharing helps

By Jay Erstling

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Patenting is no longer restricted to the wealthiest nations. As the global economy has grown, so has the number of countries actively participating in the patent system. According to the World Intellectual Property Organization, in 2013, the latest year for which statistics were available, applicants worldwide filed more than 2.6 million patent applications, an increase of 9 percent over 2012. About 9.45 million patents were in force across the globe, a jump of almost 10 percent.

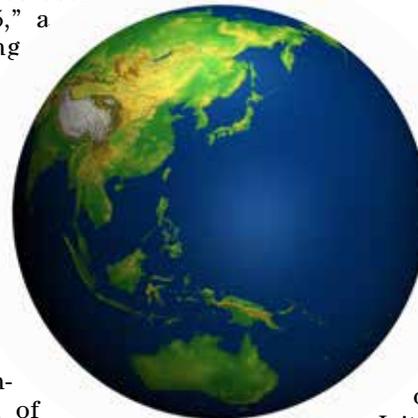
Not only has the patent world expanded, it has taken a clear turn toward Asia. Among the five foreign countries in which US applicants most frequently filed patent applications in 2013, China, Japan and Korea came in second, third, and fifth place, respectively (with Europe and Canada coming in first and fourth). To the surprise of many, the State Intellectual Property Office of China has surpassed the U.S. Patent and Trademark Office (USPTO) as the world's largest patent office, while the patent offices of Japan and Korea fill the third and fourth slots. And Asians outnumbered North Americans as patent applicants by 58.4 percent to 23.6 percent, with Europeans in third place at 13.5 percent. These developments have helped to expand markets and create unprecedented opportunities for the creators of technology, but they have also made patent decision-making and the successful prosecution of patent applications an extremely complex task.

Fortunately, the increase in patent activity has been accompanied by efforts

of national and regional patent offices and the World Intellectual Property Organization to make the patent process more streamlined and efficient. Especially important has been the work of the "IP5," a collaboration among the U.S., Chinese, European, Korean, and Japanese patent offices. According to its website, the vision of the IP5 offices, which together handle about 80 percent of the world's patent applications, is "the elimination of unnecessary duplication of work among the offices, enhancement of patent examination efficiency and quality, and guarantee of the stability of the patent right." The IP5 is achieving its vision primarily by promoting the notion of work sharing — of communicating information about patent applications pending in more than one office and rationalizing examination procedures.

Work sharing is a most welcome development, especially since it benefits both patent applicants and patent offices. For applicants, it makes patenting faster and more predictable, and it generally lowers the cost of prosecution. For offices, it helps to decrease the enormous patent application backlogs that have unfortunately become the norm, while increasing patent examination quality. Work-sharing initiatives have assumed an increasingly prominent place in the

patenting arena. As they continue to grow, patent applicants seeking protection both at home and abroad are certain to profit.



Global Dossier Initiative

The most recent work sharing effort is the Global Dossier Initiative, a project first proposed by the USPTO and quickly embraced by the IP5 with the support of WIPO and industry. The goal of the Global Dossier Initiative is to connect the world's leading patent offices through a single portal/user interface. The advantages of such unprecedented connectivity are numerous; they include allowing the full range of patent documents to be shared without restriction among offices, permitting offices and applicants to be alerted when there is a change in the status of an application in any office, and enabling users to view the legal status of an application wherever it has been filed.

The full set of Global Dossier services will be rolled out incrementally, but the first such service, called Dossier Access, is already available. USPTO examiners began accessing the service in June, and on November 23, 2015, Dossier Access went public. The USPTO says Dossier Access is particularly helpful to applicants and their attorneys because it allows them

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to “quickly and easily view, monitor, and manage intellectual property protection around the world by providing access to the dossiers of related applications filed at participating offices.”

Prior to the advent of Dossier Access, it was tedious and time consuming for applicants to ascertain the status of their applications when they filed for patent protection for an invention in multiple countries. Now applicants can obtain real-time data about the status of each related application that is quick, standardized, reliable, and understandable. Through Dossier Access applicants can also obtain English-language translations of non-English-language documents.

The key to Dossier Access is a database and algorithm developed by the European Patent Office (EPO) that matches serial numbers of different offices’ applications to the same invention. In building upon the work of the EPO, the USPTO collaborated not only with the other IP5 offices, but also with the American Intellectual Property Association, the Intellectual Property Owners Association and other industry groups. It is that collaboration and care to include the interest of all stakeholders that is likely to ensure the success of Dossier Access. When the Global Dossier Initiative is complete, it should constitute a one-stop portal for international patenting, allowing patent applications to be submitted to multiple offices simultaneously. Applicants and offices alike will have a single and secure point of access for the management of application and examination data, and they will benefit from increased efficiency and predictability, time and cost savings, and improved patent quality.

Patent Prosecution Highway

The Patent Prosecution Highway is perhaps the most successful work sharing initiative to date. PPH streamlines the patenting process by expediting and accelerating the patent examination of related applications filed in participating PPH patent offices. First proposed by Japan as a measure to assist the European, Japanese and US offices, PPH has grown into a large

network of arrangements among more than 30 patent offices.

The principal advantages of PPH are that it reduces application pendency (i.e., the amount of time it takes from the filing of an application to final grant or rejection of a patent), and it increases the likelihood that the application will result in a patent grant. Recent statistics concerning the impact of PPH at the USPTO, available at the PPH web site, have tended to bear out those benefits. For applications filed at the USPTO, PPH status has generally decreased application pendency by more than a year, required almost one fewer office action to achieve patent allowance, and increased the likelihood of grant by about 15 percent.

PPH is designed for patent applicants who want patent protection for their invention in more than one country and who receive a favorable opinion on patentability from one of the offices that has examined their application. Under PPH, applicants can take advantage of the favorable opinion by expediting examination in other offices in which they have filed a related application, and the other offices get to benefit from the earlier office’s examination efforts.

PPH was first rolled out in 2007. In its early iterations, a favorable opinion, which in PPH terms means a determination that the application contains at least one allowable claim, had to come from the patent office in which the application was first filed. As PPH developed, however, the system became less dependent on the results in the first office. Global PPH and IP5 PPH are the newest iterations, and together they include 23 of the PPH patent offices. The two are substantively indistinguishable, and the USPTO participates in both.

Global and IP5 PPH both eliminate the concept of the first filing office; instead, any earlier positive examination results from any of the offices in which a related application was filed can serve as the basis for a request for PPH status at any of the other offices. To be eligible, the application that is the subject of the PPH request must simply meet the following requirements: the application must have the same earliest priority or filing date as the national, regional, or international (PCT) application that received a

favorable opinion; all claims for which PPH status is requested must correspond to the claims in the related application; and substantive examination of the application that is the subject of the PPH request must not yet have begun. Since the inception of PPH, applicants have filed more than 32,600 PPH requests at the USPTO. PPH is a work sharing success story well worth considering. It is a powerful tool for expediting examination and can be especially effective for patent applicants seeking to secure financing, eager to take action against a potential infringer, or attempting to increase a product’s credibility or market share.

Conclusion

The Global Dossier and PPH are but two of the work sharing initiatives that patent offices and WIPO have undertaken to reduce duplication, decrease workload, and promote global patent protection. Other initiatives include the Priority Document Exchange, the Common Application Format, the WIPO CASE (Centralized Access to Search and Examination) system, and the Cooperative Patent Classification (CPC).

They are all destined to play an important role in the international patent system if patent offices and applicants are to meet the challenges of an ever-growing and increasingly complex patent world.

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