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IPFRONTIERS

Patent harmonization initiatives – a review

Obtaining worldwide patent protection is often a financially onerous and time-consuming endeavor because patent protection is still only available on a country-by-country basis. That means that, if you want to block an infringer in Japan, you have to have a Japanese patent; if you want to block an infringer in Germany, you have to have a German patent.

Many patent offices across the globe are beginning initiatives that attempt to alleviate some of this burden to patent applicants.

These programs are meeting with varied levels of success, as will be discussed below, but the process remains hideously expensive for an individual or even a small-cap company.

Patent Prosecution Highway

The Patent Prosecution Highway, or PPH, is perhaps the most evolved program currently in practice. The U.S. Patent and Trademark Office has agreements with a number of different foreign patent offices. When claims are granted in a patent application filed in the Office of First Filing (OFF), equivalent claims in a corresponding application filed in another jurisdiction may be fast-tracked in that jurisdiction (i.e., an Office of Second Filing [OSF]).

This expedited process allows the OSF not only to accelerate the uptake of the application for prosecution, but also to utilize the search and examination results of the OFF. Even though the claims granted in the OSFs are often fewer and narrower than those initially filed (as a result of the prosecution in the OFF), fewer office actions are issued by the OSFs in most cases, which results in the patent advancing to allowance more quickly in the OSFs.

Fewer office actions also results in decreased costs to the applicant for response fees and for the preparation of responses by patent counsel. While PPH speeds up the process and thereby reduces cost, the cost effect is probably not more than a 10 percent savings on a \$100,000 program.

It is important to note that utilization of the PPH does not mean an automatic allowance of the application in the OSFs, but merely expedited application. However, the USPTO website indicates that more than 90 percent of PPH applications are allowed compared with an allowance rate of less than 50 percent for non-PPH applications.

There are currently 18 national or regional patent offices that participate with the USPTO in this program: Australia, Austria, Canada, Denmark, the European Patent Office, Finland, Germany, Hungary, Israel, Japan, Korea, Mexico, Norway, Russia, Singapore, Spain, Sweden and the United Kingdom.

It is not uncommon for the USPTO to grant claims more quickly than other commonly-chosen foreign offices such as Japan and Europe; by choosing to enter the PPH path, the applications in Japan and Europe should be granted (theoretically) more quickly and with a claim scope commensurate with that granted in the United States.

A similar program (pilot program status) is being offered by the USPTO based on applications filed under the Patent Cooperation Treaty (PCT).

Here is an example: Most readers of this article will have filed a patent application with the U.S. Patent and Trademark Office first, making the USPTO the OFF. If 10 claims are deemed to be patentable by the USPTO, then the applicant can, by virtue of the PPH, ask participating foreign patent offices (OSFs, such as Japan) in which the applicant has applied to expedite the analogous claims in the corresponding applications

under their auspices. The result should be quicker allowances in foreign jurisdictions for a claim scope commensurate with that allowed in the United States.

Although an application must meet certain qualifications in order to be considered for the PPH, examination begins two to three months after acceptance of the application for the PPH, according to the USPTO. Given that some jurisdictions, such as Japan, measure their office action review time in years, the PPH program may be a valuable method for reducing the time to allowance.

European harmonization?

On the other end of the success spectrum is the proposal for harmonization of individual European countries into one unified European patent. If this initiative were successful, it would not speed up the process notably, but it could reduce the cost of a \$100,000 patent program by a third in one fell swoop.

The European Patent Office (EPO) currently serves as a

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regional office for European Union countries; however, each country also has its own patent office that grants patent rights for that country. An applicant to the EPO can obtain an approval from the EPO for a patent, but then must validate the patent rights in each country in which it wishes to obtain patent rights.

For instance, if an applicant validates her patent in Germany, but not in France, then the invention is not protected in France. Given the proximity of European countries to one another — and the ability of a potential infringer to work easily with this geography — it is often necessary to validate in many individual EU countries in order to protect one's invention. This can be a very costly endeavor, as it is not uncommon for it to cost about \$1,000 to \$3,000 per country, and there are 38 countries in the European Patent Convention.

Everyone was hopeful earlier this year, then, when the European Parliament approved a proposal to work towards a unified European patent system. Ideas were submitted for how to deal with any language issues, and it seemed as if the initiative was well on its way.

However, hopes were dashed, at least temporarily, when the European Court of Justice determined that a proposed “patent court” would not be able to work as planned without removing power from the courts of each individual country. Time will tell

if the wrinkles in the proposal can be ironed out.

U.S. Patent Reform

Just last month, the U.S. House of Representatives passed the Leahy-Smith America Invents Act. Earlier this year, a similar act passed the U.S. Senate, and a compromise between the two bills is being worked on now. Provided that a compromise is reached, it is likely that the United States will move to a first-to-file system rather than the first-to-invent structure we currently utilize.

The U.S. will then be harmonized on this point to the method shared by the majority of the rest of the world. While this constitutes “harmonization,” it will be largely without financial or temporal effect.

In summary, there are movements afoot that are attempting to streamline procedures in the global patent system. These initiatives are being met with varied success, and the ultimate benefit to inventors remains to be seen.

However, it is heartening to see the realization of the global patent community that reducing the time and cost of patenting are important concerns to innovators, and that some efficiencies can be realized within a more harmonized global patent system.

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